

EUROPE

Summary Information
EUROPE

| Country | Exchange | Average Daily Volume | Annual Volume | Contract Types |
|----------------|------------------------------------|--|--|---|
| Bulgaria | BSE – Sophia AD. | Not yet active. | Not yet active. | [Planned:] Equity and bond instruments. |
| Czech Republic | Not applicable. | Not applicable. | Not applicable. | Not applicable. |
| Greece | Athens Derivatives Exchange, S.A. | Not yet active. | Not yet active. | Not applicable. |
| Hungary | Budapest Commodity Exchange. | 1998: 33,400 financial contracts; 300 grain contracts. | 1998: 8,455,182 (total). | Agricultural futures & options, financial futures, livestock futures. |
| Hungary | Budapest Stock Exchange. | 1998: [value: 11.83 bln HUF] | 1998: 2,918,523 (total) [value: 2,934,472 mln HUF] | Interest rate, currencies, equities, indices. |
| Poland | Warsaw Stock Exchange. | Started 1998. | 1998: 24,298. | Contracts - WIG 20 futures contracts, US dollar futures contracts; Warrants - Electrim (public company listed on the WSE), NIF index. |
| Poland | Central Table of Offers. | Started 1998. | Started 1998. | Warrants - IM index, IB index. |
| Portugal | Bolsa de Derivados do Porto. | 1998: 13,635 contracts. | 1998: 3,367,827 contracts. | Stock index futures, long-term interest rate futures, short-term interest rate futures, and certain equity futures, stock index futures options. |
| Russia | Moscow Interbank Currency Exchange | 1998: 56,330 contracts. | 1998: 8,618,491 contracts. | Cash settled futures and options on US\$/RUR rate, cash settled futures on MICEX Composite Stock Index, deliverable futures on RAO, UES, and NK "Lukoil." |
| Russia | "St. Petersburg" Exchange | N/a | N/a | US dollar futures, futures on ordinary shares of RAO "Gazprom." |
| Slovenia | Not applicable. | Not applicable. | Not applicable. | Not applicable. |
| Turkey | Istanbul Gold Exchange. | 1997: 4.54 contracts | 1997: 445 contracts. | Gold bullion futures on different delivery months. |

| Country | Exchange | Average Daily Volume | Annual Volume | Contract Types |
|----------------|--------------------------|-----------------------------|----------------------|---|
| Turkey | Istanbul Stock Exchange. | Not yet active. | Not yet active. | [Planned:] Futures contracts on ISE-30 stock index. |
| Turkey | Izmir Futures Exchange. | Not yet active. | Not yet active. | [Planned:] Futures on cotton. |

Bulgaria

| GENERAL AND ECONOMIC DATA | |
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| Macroeconomic Data | |
| 1997 GDP (US\$) | \$35,600,000,000 (estimate)* |
| 1997 GDP Percentage Increase (US\$) | (7.4%) (estimate)* |
| 1997 GDP per capita (US\$) | \$4,100 (estimate)* |
| 1997 Consumer Price Index Increase | 1% (1998 estimate)* |
| 1997 Balance of Trade Surplus/Deficit | \$387,400,000 |
| 1997 Total External Debt | \$9,595,600,000 |
| Total External Debt/GDP | 27% |
| Market Data | |
| 1997 Stock market capitalization (US\$) | The Bulgarian Stock Exchange – Sofia AD was granted a license to perform the activities as such by the SEEC on Sept. 9, 1997. There were no listed companies on the official market. The total capitalization of the market during 1998 was US\$1 bln. |
| 1997 Stock market capitalization/GDP | N/a |
| 1997 Government Debt Market | N/a |
| Yield to Maturity (%) of 1/5/10 year Government Debt Instruments as of 6/30/98 | 1 year: 6.74% 5 years: 14.22% |
| Annualized Volatility (%) for 1/5/10 year Government Debt Instruments as of 6/30/98 | N/a |
| Annualized Volatility (%) for a Broad Index of Equities | N/a |
| General Data | |
| Currency | Bulgarian Lev (BGL). |
| Is currency pegged to US dollar? If so, what is the currency floor? The cap? | No. |
| Actual Range of Exchange Rate from 6/30/97 to 6/30/98? | 1700.00 – 1854.00 |
| Sovereign Debt Rating | B2/B |
| 1997 Population | 8,310,000 |
| Major Sectors (Agriculture, Mining, Industry) | The highest percent of total market capital is provided by chemical, pharmaceutical, tobacco, electrical and electronic, wood products, glass products, ferro-metallurgy, machine building, metal working and tourism stocks. |

* Source: U.S. Central Intelligence Agency, *The World Factbook 1998*, at (<www.cia.gov/cia/publications/factbook/>).

| REGULATORY DATA | |
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| Regulatory Framework | |
| Principal derivatives law. | Securities, Stock Exchanges and Investment Companies Act (SSEICA) of 1996. |
| Principal securities law. | SSEICA. |
| Futures regulatory authority. | Securities and Stock Exchanges Commission (SSEC). |
| Securities regulatory authority. | SSEC. |
| Do self-regulatory organizations (SROs) supplement governmental regulation? How? | No. There are some newly established self-regulatory organizations, namely associations of investment funds and investment intermediaries which are, however, in the initial stage of their legal existence and which therefore do not engage yet in any significant self regulatory activities. |
| Regulation of Exchanges | |
| Must exchanges/contracts be authorized by the authorities prior to the start of trading? | Yes. The SSEC approves establishment of exchanges. Exchange trades are executed in the manner and according to the procedures provided for in the rules of the stock exchange's operation, which were agreed to and approved by the SSEC. |
| What trade and other information reporting/dissemination and recordkeeping requirements apply to exchanges? | The stock exchange announces the date of introduction, the type, the number, and the nominal and total values of the securities. The stock exchange distributes in an appropriate manner information about the volume of trade, minimum and maximum prices, and closing prices. |
| Do price limits and circuit breakers exist? If so, at what levels are they set? | Price limits are determined by the Bulgarian Stock Exchange (BSE) – Sofia AD. <ul style="list-style-type: none"> - The official market: The admissible fluctuation of a listed security unit price is $\pm 5\%$ in regard to the average weighted price of all transactions, finalized at the trading session, during which that particular security was last traded. If in three sessions in a row no trade with securities from a certain issue has taken place, the admissible function is increased to $\pm 10\%$ until a new transaction is done. - The free market: no limits. |

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| <p>Are there special requirements for electronic trading systems? If so, please specify.</p> | <p>Each of the members of the stock exchange (with the exception of the banks) has to have an agreement with a bank that will undertake settlement of deals. The Bulgarian National Bank has already approved an inter-bank payment systems which is used for inter-bank transactions.</p> |
| <p>Are exchanges audited by regulators? By others (specify)?</p> | <p>According to current Bulgarian legislation (The Accountancy Act) audits of commercial companies including market participants are performed by external certified accountants. The SSEC is a specialized state body for regulating and supervising the establishment and operation of stock exchanges. The SSEICA provides further control over the stock exchange trade. As far as the stock exchange's rules define and regulate the whole system of the stock exchange and its functioning, any amendment will be possible only after the explicit preliminary approval of the Commission. The regulatory body is an additional mechanism for continuous control over the system. The law also introduces an additional regime of licensing on the side of the Commission with regard to the execution of time transactions with securities.</p> |
| <p>Regulation of Financial Service Providers</p> | |
| <p>Are there licensing/authorization requirements for brokers? For others (specify)?</p> | <p>Brokers and the dealers – juridical entities, licensed investment intermediaries – must comply with the requirements for professional qualification, competence, fairness and financial stability in order to protect the public interest and investors. Broker and dealer activity is supervised by the SSEC and, in instances of trading on the exchange, by the exchange's board of directors.</p> |
| <p>What reporting/recordkeeping requirements apply to market participants (traders/brokers)?</p> | <p>All market participants, especially investment intermediaries, investment companies, privatization funds and issuers of publicly offered securities, should report on a regular basis trading and other information to their respective state authorities. The information gathered by the SSEC refers mainly to the</p> |

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| | <p>corporate structures and persons participating in market transactions as well as their managing bodies (in terms of identification), their financial status as reflected in financial statements and balance sheets, and to the transactions performed, especially those whereby corporate control is established or lost.</p> <p>Investment intermediaries should notify the SSEC monthly about opening or closing branch offices, about the particulars of persons who have acquired directly or through related persons over 10% of the voting stock of the investment intermediaries, and about the separation of a portfolio of securities from those of the investors.</p> <p>Investment companies (open-end and closed-end) should disclose information on the turnover of their investment securities and submit to the SSEC annual reports within 90 days of the end of the financial year as well as a six-month report within 60 days of the expiration of the financial half-year. They should notify the SSEC about different circumstances specified by the law as well as submit monthly statements. There are similar provisions regulating the disclosure of information to the SSEC by issuers offering their securities to the public.</p> <p>The stock exchanges should notify the SSEC about any amendments to their rules and internal regulations.</p> <p>The SSEC is generally empowered by the law to require documents and explanations in writing depending on the circumstances, and to carry out inquiries into any person's activities when there is information that they are violating securities legislation.</p> |
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| | <p>All market participants are required to maintain trading and customer records as provided for by the securities and exchange trading legislation and by the general commercial legislation. Moreover, they are required to keep records pursuant to numerous other regulations: general accounting principles, recordkeeping for taxation, <i>etc.</i> The investment intermediaries should also keep a special book for registering all transactions with securities.</p> |
| <p>Are there sales practice/conduct of business standards for brokers? Others (specify)?</p> | <p>Investment of intermediaries must follow the Central Depository of Securities' (CDS) procedures when receiving client's securities.</p> |
| <p>Are there minimum capital requirements for brokers? For others (specify)?</p> | <p>Minimum capital requirements for establishing a stock exchange total 100 mBGL.</p> <p>Persons who will act as an investment intermediary shall have paid-in capital of at least 250 mBGL if they engage in transactions in securities on their own account, and 90 mBGL if they engage in transactions in securities on behalf of a third party.</p> <p>Minimum capital requirements for establishing an investment company must total 100 mBGL.</p> |
| <p>Are brokers audited by regulators? By others (specify)?</p> | <p>The SSEC may initiate routine or special investigations and examine accounting books and ledgers of all persons whose activities fall within the purview of the SSEICA or who violate the provisions thereof.</p> |
| <p>Are there segregation requirements for customer funds? If so, please describe.</p> | <p>SSEICA requires investment intermediaries to segregate their own funds from client deposited funds. Investment intermediaries operate separate accounts for their own trades and for clients. Client accounts are recorded individually.</p> |
| <p>Are there other customer compensation or "insurance" arrangements? If so, please describe.</p> | <p>Investment intermediaries must maintain secure facilities for safekeeping client's assets, with separate records for each client.</p> |
| <p>Are there custody requirements for customer funds? If so, please describe.</p> | <p>The central depository performs custodian functions in respect to securities deposits. Securities traders are obligated to conclude a</p> |

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| | contract with the CDS. Further requirements are determined between the client and the trader. The funds should be maintained in the form of cash or bank deposits unless they are invested in such securities as stocks. |
| Are there dispute resolution procedures? If so, please describe. | No. |
| Access to Foreign Markets | |
| Must foreign markets be approved for use by domestic investors? If so, by whom? | <p>Foreign markets are not subject to authorization for use by Bulgarian citizens in order for the latter to invest in such markets. Since there are no explicit prohibitions imposed thereon, it may be assumed that there are no legal obstacles for the execution of such trading.</p> <p>Certain customs formalities do exist in connection with the physical export of materialized securities issued by Bulgarian issues but these formalities mainly refer to the obligation to declare the respective quantity of such securities on crossing the borders of the country. The admission of such securities, issued by Bulgarian companies, for trade on the respective foreign exchanges or organized financial markets shall be governed by the legislation of the host country and the regulations of the respective exchange or market therein.</p> |
| Foreign Access to Markets | |
| Are there limits on foreign investments in derivatives? If so, please describe. | Bulgaria has enacted liberal legal provisions for foreign investments in securities. There are no minimum and maximum percentage limits for the foreign investment. There are many legal forms for direct and indirect investment. Non-residents are entitled to perform economic activity in the country and to acquire shares and stocks in companies under the same provisions as Bulgarian citizens and legal persons. The number of non-resident owners of a company is not limited, nor is the total amount of their investment. Foreign and local investors have equal rights in the privatization process. |

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| | <p> Holders of Bulgarian Brady bonds obtained in exchange for rescheduled Bulgarian debt may use them in privatization. Discount Bonds (DISCs) are accepted at face value while Front Loaded Interest Reduction Bonds (FLIRBs) are accepted at 50% of face value, irrespective of their purchase price. The Law on Privatization Funds of 1996 provides foreign investors with the opportunity to participate in the mass privatization process in Bulgaria.</p> |
| <p> Are there restrictions on repatriation of funds? If so, please describe.</p> | <p> There are certain restrictions on repatriation of funds such as the registration requirement and the requirement concerning the amount in US\$ of the foreign investment. The foreign investor, or his representative, should present to the transferring bank a certificate issued by the Ministry of Finance (for direct investments) and by the SSEC (for portfolio investments) as well as a certificate issued by the tax authorities confirming the payment of all due taxes by the investor.</p> |
| <p> Is there a double taxation treaty?</p> | <p> There are double taxation treaties (for avoidance of double taxation) between Bulgaria and most of the European Union states. The underlying legal principle in these treaties is that the profit arising out of the economic activities of enterprises on the territory of one of the contracting parties is not subject to taxation on the territory of the other. This legal principle should apply also to capital gains accrued on any portfolio investments.</p> |
| <p> Are there special dispute resolution procedures for foreign market users? If so, please describe.</p> | <p> Trading activities of foreign market users on the Bulgarian exchanges or markets are expected to be the subject of detailed future regulations, introducing the respective legal requirements in regard to registration (licensing), the capital structure of foreign issuers, disclosures, and compliance of financial statements with Bulgarian and international accounting principles and standards, <i>etc.</i>, whereby the key safeguards for the protection of Bulgarian investors shall be laid down.</p> |

| Taxation | |
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| How are gains on derivatives products taxed? | The tax treatment of gains on derivatives products does not deviate in any way from the general principles of taxation of gains on the underlying securities and transactions therewith. Therefore, gains of enterprises shall be taxed according to the provisions of the Law on Profit Tax, while gains of natural persons shall be taxed pursuant to the Law on Income Tax. |
| Insolvency | |
| What insolvency provisions apply to futures markets? | The futures/options markets, when incorporated as exchanges, fall within the purview of the Commercial Code; its insolvency provisions apply to all commercial companies in general so far as bankruptcy is concerned. Short of bankruptcy, in cases where a stock exchange violates the law, the SSEC may appoint a receiver and initiate proceedings for the termination of the respective stock exchange. |
| Enforcement | |
| What authority is responsible for punishing violations of exchange rules, the law, or regulations governing derivatives? Fraud? | Stock exchanges have to be authorized by the SSEC. The relevant administrative procedures involve the granting of a license to the respective entity after a complete check of the applicants' documentation is examined for compliance with law. |
| General | |
| Memberships in international organizations (e.g., IOSCO)? Please specify. | IOSCO. |
| E-mail contact information. | Not applicable. |
| Web site address(es). | The respective experts with the SSEC presently are working on the introduction of a web site at the Commission. |

| EXCHANGE DATA | |
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| Exchanges/Contracts Traded | |
| List derivatives exchanges. | BSE – Sofia AD. The BSE hopes to launch derivatives in 2000. |
| Who owns the exchange (members, government, other)? | 38% of the registered capital is the property of the State. 47% is the property of banks, investment intermediaries, financial organizations and insurance companies. 15% is property of other physical and judicial entities. |
| For each exchange, list contract types traded. | On the equity side, common registered stocks are the most widely traded type security. There are also large volumes of preferred shares outstanding which have been issued to employees of privatized companies under the State Privatization Program. Trade in bonds will start on the stock exchange in 1999. Talks have been held with the mayor of Sofia on the issue of a municipal bond loan, which could also be floated on the BSE – Sofia. |
| Do you have a stock index? If so, please specify. | BSE Warburg Sofia – 30. |
| Do stock index futures exist? If so, please specify. | There is presently no futures market in Bulgaria. |
| What was the average daily volume in futures contract trading at year-end 1997? | Not applicable. |
| What was the annual futures contract trading volume for 1997 (number of contracts/contracts' value)? | Not applicable. |
| What was the level of open interest in futures contracts at year-end 1997? | Not applicable. |
| Please describe how you compute contract volume. | Not applicable. |
| Trading Features | |
| Is trading conducted electronically or by open outcry? | Electronically. |
| Are prices disseminated in real-time? If so, how? | No. At the end of the day, the prices and volumes are disseminated to news vendors and other interested parties. |
| How frequently do you match trades? | Each work day. |

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| Is dual trading permitted? | No, but the investment intermediary shall perform the orders of investors with priority over any transactions carried out on its own behalf. The electronic trading system itself provides a facility to distinguish proprietary trading from client-account trading. |
| What surveillance programs are used? | The exchange monitors members' financial situations and exchange trade practice. The respective experts with the BSE presently are working on the introduction of an electronic real-time monitoring system. |
| Risk Management/Clearing | |
| Do exchanges have clearing houses? | Deals on the BSE – Sofia are signed with a settlement procedure on a gross basis or without a clearing system. It is therefore not possible to sell shares on the same day of their purchase. No central settlement institution is servicing the stock exchange. Each of the members of the stock exchange (with the exception of the banks) has to have an agreement with a bank that will undertake settlement of deals. |
| Who owns the clearing house? Is the clearing house affiliated or separate? | Not applicable. |
| What is the settlement time frame (<i>e.g.</i> , T+ _?)? | The CDS provides an efficient system for DVP settlement: using the DVP system with a T+3 settlement period. |
| Is margin required? | N/a |
| Who sets the margin levels? | N/a |
| Is margin calculated on a gross or net basis? | N/a |
| How frequently are positions marked to market? How often are gains/losses settled? | Not applicable. |
| What kind of financial backing exists for brokers/clearing members/clearing houses in case of failure? | CDS members are required to pay an initial and annual contribution to a shared risk guaranty fund. |
| How does the clearing house allocate losses in the event of a clearing member default? | N/a |
| Can customer positions be transferred in the event of default? | N/a |
| Are emergency rules in place? If so, please specify. | N/a |

| General | |
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| Are exchange rules available on the Internet? | Yes. |
| E-mail contact information. | N/a |
| Web site address(es). | N/a |

Czech Republic

| GENERAL AND ECONOMIC DATA | |
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| Macroeconomic Data | |
| 1997 GDP (US\$) | \$37,105,643,994 |
| 1997 GDP Percentage Increase (CZK) | 1% |
| 1997 GDP per capita (US\$) | \$3,602 |
| 1997 Consumer Price Index Increase | 8.20% |
| 1997 Balance of Trade Surplus (Deficit) | (\$4,076,092,619) |
| 1997 Total External Debt | \$14,585,212,735 (long term) \$7,085,151,953 (short term) |
| Total External Debt/GDP | 58.4% |
| Market Data | |
| 1997 Stock market capitalization (US\$) | \$14,066,570,188 |
| 1997 Stock market capitalization/GDP | 37.9% |
| 1997 Government Debt Market | T-Bills: \$2,168,306,801 Mid-Term Bonds: \$2,026,049,204 |
| Yield to Maturity (%) of 1/5/10 year Government Debt Instruments as of 6/30/98 | 1 year: 14.51% 5 year: 13.03% |
| Annualized Volatility (%) for 1/5/10 year Government Debt Instruments as of 6/30/98 | N/a |
| Annualized Volatility (%) for a Broad Index of Equities | N/a |
| General Data | |
| Currency | Czech Crown (Koruna). |
| Is currency pegged to US dollar? If so, what is the currency floor? The cap? | Yes: 65% to German Mark and 35% to US dollar ($\pm 7\%$ fluctuation). |
| Actual Range of Exchange Rate from 6/30/97 to 6/30/98? | 31.71 – 33.91 |
| Sovereign Debt Rating | Baa1/A- |
| 1997 Population | 10,299,300 |
| Major Sectors (Agriculture, Mining, Industry) | Industry. |

| REGULATORY DATA | |
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| Regulatory Framework | |
| Principal derivatives law. | Securities Act, ref. No. 591/1992, Coll., as subsequently amended. |
| Principal securities law. | Securities Act, ref. No. 591/1992, Coll., as subsequently amended. Securities Commission Act, ref. No. 15/1998, Coll., as subsequently amended. Bonds' Act, ref. No. 530/1990, Coll., as subsequently amended. Stock Exchange Act, ref. No. 214/1992, Coll., as subsequently amended. |
| Futures regulatory authority. | Czech Securities Commission (CSC). |
| Securities regulatory authority. | CSC. |
| Do self-regulatory organizations (SROs) supplement governmental regulation? How? | No. |
| Regulation of Exchanges | |
| Must exchanges/contracts be authorized by the authorities prior to the start of trading? | Yes, exchanges are required to be licensed by the CSC. |
| What trade and other information reporting/dissemination and recordkeeping requirements apply to exchanges? | Exchanges are obliged to maintain all accounting records and contracts of their clients for 10 years. |
| Do price limits and circuit breakers exist? If so, at what levels are they set? | CSC does not set any price limits. These are set by the exchanges. |
| Are there special requirements for electronic trading systems? If so, please specify. | No. |
| Are exchanges audited by regulators? By others (specify)? | Exchanges' accounts are audited by special bodies (auditors), who are members of the Chamber of Auditors. |
| Regulation of Financial Service Providers | |
| Are there licensing/authorization requirements for brokers? For others (specify)? | Yes. Licensing requirements exist for brokers, traders, investment companies, investment and mutual funds, exchanges, and clearing houses. |
| What reporting/recordkeeping requirements apply to market participants (traders/brokers)? | Brokers are obliged to report all changes to the basis on which they were given licenses. Brokers are obliged to record all trades in a "Traders Diary," which contains information including: ID of seller/buyer, ISIN, <i>etc.</i> (requirements are set by the Securities Act). Traders are obliged to report changes in their employment (<i>e.g.</i> , another broker). |

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| Are there sales practice/conduct of business standards for brokers? Others (specify)? | Yes. They are set by the Securities Act and by other notices published under the Act. |
| Are there minimum capital requirements for brokers? For others (specify)? | Yes. The minimum is a 10,000,000 CZK registered capital requirement, effective April 1, 2000. |
| Are brokers audited by regulators? By others (specify)? | Broker's accounts are audited by special bodies (auditors), who are members of the Chamber of Auditors. |
| Are there segregation requirements for customer funds? If so, please describe. | Yes. Brokers are obliged (pursuant to the Securities Act) to account for their own assets separately from their clients' assets. |
| Are there other customer compensation or "insurance" arrangements? If so, please describe. | No. |
| Are there custody requirements for customer funds? If so, please describe. | Yes, as set forth in the Securities Act. |
| Are there dispute resolution procedures? If so, please describe. | No. |
| Access to Foreign Markets | |
| Must foreign markets be approved for use by domestic investors? If so, by whom? | No. |
| Foreign Access to Markets | |
| Are there limits on foreign investments in derivatives? If so, please describe. | No. |
| Are there restrictions on repatriation of funds? If so, please describe. | No. |
| Is there a double taxation treaty? | Yes. The Czech Republic has treaties with the U.S. and about 40 other countries. |
| Are there special dispute resolution procedures for foreign market users? If so, please describe. | No. |
| Taxation | |
| How are gains on derivatives products taxed? | As normal income. |
| Insolvency | |
| What insolvency provisions apply to futures markets? | Not applicable. |
| Enforcement | |
| What authority is responsible for punishing violations of exchange rules, the law, or regulations governing derivatives? Fraud? | CSC is in power to regulate (punish) the whole capital market. There are also other "competition of exchanges" (to punish violation of exchange rules) and the court system. |

| General | |
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| Memberships in international organizations (e.g., IOSCO)? Please specify. | IOSCO. |
| E-mail contact information. | CSC: < sarka.smakova@sec.cz >. |
| Web site address(es). | CSC: < www.sec.cz >. |

| EXCHANGE DATA | |
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| Exchanges/Contracts Traded | |
| List derivatives exchanges. | Not applicable. |
| Who owns the exchange (members, government, other)? | In the Czech Republic there are two exchanges currently running: the Prague Stock Exchange (PSE), which is owned by its shareholders (members), and the RM-Systém (RM-S), which is 100% owned by the PVD Corporation. |
| For each exchange, list contract types traded. | Not applicable. |
| Do you have a stock index? If so, please specify. | Yes. PX50 at the PSE, and the PK30 at the RM-S. There is also the CTX index at the Vienna exchange (Austria) for Czech stocks traded at the PSE. |
| Do stock index futures exist? If so, please specify. | Not applicable. |
| What was the average daily volume in futures contract trading at year-end 1997? | Not applicable. |
| What was the annual futures contract trading volume for 1997 (number of contracts/contracts' value)? | Not applicable. |
| What was the level of open interest in futures contracts at year-end 1997? | Not applicable. |
| Please describe how you compute contract volume. | Not applicable. |
| Trading Features | |
| Is trading conducted electronically or by open outcry? | Trading is conducted electronically. |
| Are prices disseminated in real-time? If so, how? | Yes, via ABACUS, CEKIA, CTK, Bloomberg, Dow Jones Markets, Reuters, Softec Servis, and Tanger. |
| How frequently do you match trades? | Trades are matched in real-time. |
| Is dual trading permitted? | Yes. |
| What surveillance programs are used? | The PSE primarily inspects members and applications for membership. The RM-S inspects its "special customers" (brokers). The exchanges usually check whether: members comply with disclosure obligations, trading systems are safe, proper records are maintained, records of assets delegated and used are maintained, and whether assets over which members have discretionary authority |

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| | are invested properly. They also analyze certain trades, examine the investment procedures for firms trading for their own account, and search for price manipulation. The RM-S also provides so-called “validation” (<i>i.e.</i> , whether a client has enough money or securities in their account). |
| Risk Management/Clearing | |
| Do exchanges have clearing houses? | Yes. |
| Who owns the clearing house? Is the clearing house affiliated or separate? | Each exchange uses a different clearing house for securities and money settlement. The PSE owns UNIVYC for securities settlement and uses the clearing center of the Czech National Bank for money settlement. The RM-S uses the SCP for securities settlement (the SCP is state owned, which also uses UNIVYC’s services), and the IPB, one of the largest Czech banks, for money settlement. |
| What is the settlement time frame (<i>e.g.</i> , T+ _?)? | T+3 at PSE. T+0 at RM-S. |
| Is margin required? | Not applicable. |
| Who sets the margin levels? | Not applicable. |
| Is margin calculated on a gross or net basis? | Not applicable. |
| How frequently are positions marked to market? How often are gains/losses settled? | Not applicable. |
| What kind of financial backing exists for brokers/clearing members/clearing houses in case of failure? | Only the Guarantee Fund at the PSE. RM-S solves this problem through its “validation” measures. |
| How does the clearing house allocate losses in the event of a clearing member default? | The clearing house guarantees trades through a mutual Guarantee Fund, to which all members contribute according to their trading volumes. If a loss occurs, it is covered by the Guarantee Fund. |
| Can customer positions be transferred in the event of default? | Yes. |
| Are emergency rules in place? If so, please specify. | Yes. |
| General | |
| Are exchange rules available on the Internet? | Yes. |
| E-mail contact information. | PSE: < info@pse.cz >. RM-S: < rmsystem@pha.pvt.cz >. |

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| Web site address(es). | PSE: < www.pse.cz >. RM-S: < www.rmsystem.cz >. |
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Greece

| GENERAL AND ECONOMIC DATA | |
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| Macroeconomic Data | |
| 1997 GDP (US\$) | \$119,927,000,000 |
| 1997 GDP Percentage Increase (US\$) | 3.5% |
| 1997 GDP per capita (US\$) | \$11,332 |
| 1997 Consumer Price Index Increase | 5.5% |
| 1997 Balance of Trade Surplus (Deficit) | (\$18,271,300,000) |
| 1997 Total External Debt | \$31,500,000,000 |
| Total External Debt/GDP | 26% |
| Market Data | |
| 1997 Stock market capitalization (US\$) | \$86,217,000,000 |
| 1997 Stock market capitalization/GDP | 71.89% |
| 1997 Government Debt Market | \$142,805,000,000 |
| Yield to Maturity (%) of 1/5/10 year Government Debt Instruments as of 6/30/98 | 1 year: 11.70% 5 year: 8.95% 10 year: 7.76% |
| Annualized Volatility (%) for 1/5/10 year Government Debt Instruments as of 6/30/98 | 1 year: N/a 5 year: 0.34% (in terms of yield) 10 year: 0.28% (in terms of yield) |
| Annualized Volatility (%) for a Broad Index of Equities | 29.995% ¹ |
| General Data | |
| Currency | Drachma. |
| Is currency pegged to US dollar? If so, what is the currency floor? The cap? | No. |
| Actual Range of Exchange Rate from 6/30/97 to 6/30/98? | 272.0 – 316.9 |
| Sovereign Debt Rating | Baa1/BBB- |
| 1997 Population | 10,582,400 |
| Major Sectors (Agriculture, Mining, Industry) | Tourism, textiles, chemicals, metals, wine and food processing. |

¹ Annualized Volatility for the General Index of the Athens Stock Exchange (A.S.E.) =

$$\sigma^* \sqrt{\text{No. of trading days in the A.S.E.}} \text{ where } \sigma = \text{standard deviation.}$$

| REGULATORY DATA | |
|---|---|
| Regulatory Framework | |
| Principal derivatives law. | Law 2533/1997. |
| Principal securities law. | Laws 3632/1928, 1806/1988, 1969/1991, 2324/1995, 2396/1996 and Presidential Decree 350. |
| Futures regulatory authority. | Capital Market Commission. |
| Securities regulatory authority. | Capital Market Commission. |
| Do self-regulatory organizations (SROs) supplement governmental regulation? How? | No. |
| Regulation of Exchanges | |
| Must exchanges/contracts be authorized by the authorities prior to the start of trading? | Yes. |
| What trade and other information reporting/dissemination and recordkeeping requirements apply to exchanges? | There is implicit reporting through the automated electronic trading system. |
| Do price limits and circuit breakers exist? If so, at what levels are they set? | Price limits exist and are set at $\pm 8\%$ for the cash market, whereas for the derivatives market it is not, as yet, applicable. |
| Are there special requirements for electronic trading systems? If so, please specify. | Yes. All members of the Athens Stock Exchange (A.S.E.) must execute their orders through a system of terminals established either in the A.S.E. and/or in their offices. |
| Are exchanges audited by regulators? By others (specify)? | The Capital Market Commission is the supervisory authority of the exchanges operating in Greece according to the existing legislation. |
| Regulation of Financial Service Providers | |
| Are there licensing/authorization requirements for brokers? For others (specify)? | There are licensing/authorization requirements for both Brokerage Firms and the following categories of companies: <ul style="list-style-type: none"> - Investment Services Companies (ISCs); - Fund Management Companies (FMCs) (open-end funds); - Portfolio Investment Companies (PICs) (closed-end funds). |
| What reporting/recordkeeping requirements apply to market participants (traders/brokers)? | Market participants must maintain trading records for 5 years and must provide them to the authorities upon demand. All market participants must assign code numbers to their clients and maintain those numbers in records |

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| | of clients' trades. |
| Are there sales practice/conduct of business standards for brokers? Others (specify)? | There are sales practice/conduct of business standards for brokerage firms, ISCs and for institutional investors. |
| Are there minimum capital requirements for brokers? For others (specify)? | There are minimum capital requirements for both brokerage firms and the following categories of companies: - ISCs; - FMCs; - PICs. |
| Are brokers audited by regulators? By others (specify)? | Yes, by regulators. |
| Are there segregation requirements for customer funds? If so, please describe. | Yes. ISCs are prohibited from using their customer funds in their own account according to Law 2396/1996, and the Code of Conduct for ISCs. |
| Are there other customer compensation or "insurance" arrangements? If so, please describe. | Yes. Law 2533/1997 reorganized the Athens Stock Exchange Members Guarantee Fund, which is an Investors Compensation Scheme. |
| Are there custody requirements for customer funds? If so, please describe. | Yes. According to Law 2396/1996, custody services are non-core services and may be provided by ISCs. |
| Are there dispute resolution procedures? If so, please describe. | No. |
| Access to Foreign Markets | |
| Must foreign markets be approved for use by domestic investors? If so, by whom? | Foreign markets must be approved by the competent authority only for use by domestic <i>institutional</i> investors. It is not necessary to have such approval for individual investors. |
| Foreign Access to Markets | |
| Are there limits on foreign investments in derivatives? If so, please describe. | Not yet applicable. |
| Are there restrictions on repatriation of funds? If so, please describe. | No. |
| Is there a double taxation treaty? | Yes, with several countries including the U.S. |
| Are there special dispute resolution procedures for foreign market users? If so, please describe. | No. |
| Taxation | |
| How are gains on derivatives products taxed? | Not yet applicable. |

| Insolvency | |
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| What insolvency provisions apply to futures markets? | Not yet applicable. |
| Enforcement | |
| What authority is responsible for punishing violations of exchange rules, the law, or regulations governing derivatives? Fraud? | The Capital Markets Commission is responsible for administrative fines, whereas Criminal Justice is responsible for cases of criminal statute. Under specific circumstances, the A.S.E. may be responsible. |
| General | |
| Memberships in international organizations (<i>e.g.</i> , IOSCO)? Please specify. | IOSCO, IMF, OECD, World Bank, EIB, EBRD. |
| E-mail contact information. | CMC: < eleftheria@aeb.gr >. |
| Web site address(es). | Not yet available. |

| EXCHANGE DATA | |
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| Exchanges/Contracts Traded | |
| List derivatives exchanges. | Athens Derivatives Exchange, S.A. (ADEX). |
| Who owns the exchange (members, government, other)? | Athens Stock Exchange (35%). Banks (28%). Members (14%). Others. |
| For each exchange, list contract types traded. | Not yet applicable. |
| Do you have a stock index? If so, please specify. | FTSE-ASE 20. |
| Do stock index futures exist? If so, please specify. | Under preparation. |
| What was the average daily volume in futures contract trading at year-end 1997? | Not applicable. |
| What was the annual futures contract trading volume for 1997 (number of contracts/contracts' value)? | Not applicable. |
| What was the level of open interest in futures contracts at year-end 1997? | Not applicable. |
| Please describe how you compute contract volume. | Under preparation. |
| Trading Features | |
| Is trading conducted electronically or by open outcry? | To be conducted electronically. |
| Are prices disseminated in real-time? If so, how? | Not yet applicable. |
| How frequently do you match trades? | Not yet applicable. |
| Is dual trading permitted? | Not yet applicable. |
| What surveillance programs are used? | Not yet applicable. |
| Risk Management/Clearing | |
| Do exchanges have clearing houses? | Yes. Athens Derivatives Clearing House. |
| Who owns the clearing house? Is the clearing house affiliated or separate? | Athens Stock Exchange (35%). Banks (30%). Central Securities Depository (14%). ADEX (10%). Postal Savings (10%). |
| What is the settlement time frame (e.g., T+)? | Not applicable. |
| Is margin required? | Yes (under preparation). |
| Who sets the margin levels? | Under preparation. |

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| Is margin calculated on a gross or net basis? | Under preparation. |
| How frequently are positions marked to market? How often are gains/losses settled? | Not applicable. |
| What kind of financial backing exists for brokers/clearing members/clearing houses in case of failure? | Under preparation. |
| How does the clearing house allocate losses in the event of a clearing member default? | Not applicable. |
| Can customer positions be transferred in the event of default? | Not applicable. |
| Are emergency rules in place? If so, please specify. | Under preparation. |
| General | |
| Are exchange rules available on the Internet? | No. |
| E-mail contact information. | ASE: < secretariat@adex.ase.gr >. |
| Web site address(es). | ASE: < www.adex.ase.gr >. |

Hungary

| GENERAL AND ECONOMIC DATA | |
|---|---|
| Macroeconomic Data | |
| 1998 GDP (US\$) | \$47,500,000,000 (estimate) |
| 1998 GDP Percentage Increase (US\$) | 5.3% |
| 1998 GDP per capita (US\$) | \$4,504 |
| 1998 Consumer Price Index Increase | 14.3% |
| 1998 Balance of Trade Surplus (Deficit) | (\$2,701,000,000) |
| 1998 Total External Debt | \$2,298,000,000 |
| Total External Debt/GDP | 2.2% |
| Market Data | |
| 1998 Stock market capitalization (US\$) | \$12,080,332,861 |
| 1998 Stock market capitalization/GDP | 25.4% |
| 1997 Government Debt Market | \$68,802,000,000 |
| Yield to Maturity (%) of 1/5/10 year Government Debt Instruments as of 9/17/98 | 1 year: 17.46% 3 years: 17.28% |
| Annualized Volatility (%) for 1/5/10 year Government Debt Instruments as of 6/30/98 | N/a |
| Annualized Volatility (%) for a Broad Index of Equities | Budapest Stock Index (BUX): 1997 – 40%; 1998 – 49%. |
| General Data | |
| Currency | Forint (HUF). |
| Is currency pegged to US dollar? If so, what is the currency floor? The cap? | The HUF is pegged to a currency basket consisting of 70% EUR and 30% US\$. The exchange rate regime in Hungary is a crawling peg system (<i>i.e.</i> , pre-announced monthly devaluation of domestic currency). The monthly rate (since January 1, 1999) is 0.6%. The fluctuation band is $\pm 2.25\%$. |
| Actual Range of Exchange Rate from 6/30/97 to 6/30/98? | 187.12 – 219.29 |
| Sovereign Debt Rating | Baa2/BBB (foreign currency) A1/A (local currency) |
| 1997 Population | 10,135,000 |
| Major Sectors (Agriculture, Mining, Industry) | {Mining, metallurgy, construction materials, processed foods, textiles, chemicals (especially pharmaceuticals), motor vehicles. } |

| REGULATORY DATA | |
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| Regulatory Framework | |
| Principal derivatives law. | Act XXXIX of 1994 on Commodity Exchange and its Transactions; Act CXI of 1996 on the Offering of Securities, Investment Services, and the Stock Exchange. |
| Principal securities law. | Act CXI of 1996. |
| Futures regulatory authority. | Hungarian Banking and Capital Market Supervision (HBCMS). |
| Securities regulatory authority. | Hungarian Banking and Capital Market Supervision (HBCMS). |
| Do self-regulatory organizations (SROs) supplement governmental regulation? How? | Yes. Both the Budapest Stock Exchange (BSE) and the Budapest Commodity Exchange (BCE), as well as the Central Clearing House and Depository (Budapest), Ltd. (KELER). |
| Regulation of Exchanges | |
| Must exchanges/contracts be authorized by the authorities prior to the start of trading? | The government approves the establishment of the exchanges based on a proposal by the Minister of Finance. The exchange becomes a legal entity as of the date of approval by the government, and may commence operations on the basis of the constitution and the regulations approved by the HBCMS. |
| What trade and other information reporting/dissemination and recordkeeping requirements apply to exchanges? | There are no obligations for the exchange. Regulations govern broker recordkeeping requirements on data carrying facilities certified by the Exchange Secretariat and the HBCMS. The regulations prescribe the technical requirements for maintaining records. |
| Do price limits and circuit breakers exist? If so, at what levels are they set? | Yes. Both the BSE and the BCE set maximum daily price limits: <ul style="list-style-type: none"> - BCE: according to KELER ordinance. - BSE: $\pm 10\%$. If prices exceed the specified levels, prompt clearing is carried out and only those who are able to provide the necessary margin may resume trading. |
| Are there special requirements for electronic trading systems? If so, please specify. | BCE: Yes. Cross trades are not allowed in the after-hours electronic trading system. |

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| Are exchanges audited by regulators? By others (specify)? | The regulatory authority HBCMS does not audit, but supervision is carried out on both a regular and an ad hoc basis. |
| Regulation of Financial Service Providers | |
| Are there licensing/authorization requirements for brokers? For others (specify)? | Yes. Under the relevant acts. |
| What reporting/recordkeeping requirements apply to market participants (traders/brokers)? | Market participants are obliged to meet reporting requirements described in the securities act and a government decree on data provisioning requirements, pursuant to National Bank of Hungary (NBH) regulations regarding foreign exchange, and a separate law. Investment firms are obliged to provide to the HBCMS and the NBH information about their activities and the transactions they have concluded. |
| Are there sales practice/conduct of business standards for brokers? Others (specify)? | Yes. |
| Are there minimum capital requirements for brokers? For others (specify)? | HBCMS: For the BCE, on the basis of the KELER Rules, the minimum capital requirement is 20,000,000 forints in the Financial Section, and 3,000,000 forints in the Grains and Livestock Section. Pursuant to Act No. CXI of 1996, the registered capital of an investment firm may be no less than: <ul style="list-style-type: none"> a) 20,000,000 forints for commission brokerage companies; b) 100,000,000 forints for securities trading companies; c) 1,000,000,000 forints for investment houses. |
| Are brokers audited by regulators? By others (specify)? | HBCMS: The regulatory authority does not audit, but supervision is carried out on both a regular and an ad hoc basis. KELER, Ltd. has the right to conduct investigation at each clearing member. The goal of the investigation is to ensure the security of each member's liquidity and client risk managing system. During the investigation, KELER inquires whether the clearing member meets the requirements and regulations of the clearing house. There are |

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| | also unwarned and scheduled investigations by the BSE's Membership Audit Department. |
| Are there segregation requirements for customer funds? If so, please describe. | Members of the exchange shall deposit in a client's account, separated from their own assets, the securities received from clients as collateral for transactions on the exchange. Members must also register the collateral by security type. The creditors of a member of the exchange may not, on any grounds, lay claim to the security kept with the member of the exchange and owned by a client. A member of the exchange may only use the security guaranteeing transactions on the exchange, and may not dispose of the security as its own. |
| Are there other customer compensation or "insurance" arrangements? If so, please describe. | BCE: No. BSE: Investor Protection Fund. The investment firms have established an Investor Protection Fund. The task of the Fund is to pay to private investors the indemnity amount (max. 1 million forints/investor). |
| Are there custody requirements for customer funds? If so, please describe. | BCE: Yes. |
| Are there dispute resolution procedures? If so, please describe. | There is a so-called Business Conduct Committee at BCE, which is the first level for dispute resolution. Members of the committee are active brokers of the BCE. The second level is the Arbitration Court, which is a joint appeal court of the BCE and BSE. There is an Arbitration Court on the BSE which serves as an appeal court for the BCE as well. Proceedings by the arbitration court of the stock exchange shall be conducted in case of legal disputes relating to: <ul style="list-style-type: none"> - Issues of securities and provision of investment services covered by the scope of the Act, - Transactions on the stock exchange, - Refusal by the investment firm of an assignment from the customer concerning an investment instrument, |

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| | <ul style="list-style-type: none"> - The charter and procedural rules of the clearing house, if the parties have stipulated to the arbitration procedure in an arbitration clause, and may freely dispose of the subject of the procedure, - The charter and procedural rules of the stock exchange. |
| Access to Foreign Markets | |
| Must foreign markets be approved for use by domestic investors? If so, by whom? | Foreign markets should be recognized markets, and potential investors should obtain the approval of the NBH. Markets are recognized pursuant to the Act on Foreign Exchange if they meet the following conditions as domestic or foreign exchanges and OTC markets: those (a) which have been officially recognized in the country in which they operate; (b) where anybody may buy or sell securities through the persons defined in their rules; and (c) where the transactions are effected on the basis of set rules. |
| Foreign Access to Markets | |
| Are there limits on foreign investments in derivatives? If so, please describe. | In the futures market, foreign investments are not allowed. Only companies registered in Hungary can invest in derivatives. Debt securities with a maturity of less than one year can be bought by foreign investors only with the permission of the NBH. |
| Are there restrictions on repatriation of funds? If so, please describe. | No. |
| Is there a double taxation treaty? | Yes. |
| Are there special dispute resolution procedures for foreign market users? If so, please describe. | No. |
| Taxation | |
| How are gains on derivatives products taxed? | In the case of private individuals, the brokerage firm (as a paying agent) deducts a 10% capital gains tax on derivatives products. In the case of business organizations, the firm itself pays the tax in accordance with the relevant rules of corporate taxation. |
| Insolvency | |
| What insolvency provisions apply to futures markets? | As regards financial collateral for futures and options transactions, the relevant rules of |

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| | KELER, Ltd. are to be applied. In the case of non-performance of a financial obligation by a brokerage firm, KELER shall use/enforce the elements of the guarantee system. If the guarantee system is insufficient, then KELER shall initiate liquidation proceedings against the firm in default. |
| Enforcement | |
| What authority is responsible for punishing violations of exchange rules, the law, or regulations governing derivatives? Fraud? | There are ethics committees at the BCE and BSE which are responsible for punishing violations on the first level. The HBCMS can also punish violations. KELER may also apply sanctions for violating clearing and settlement rules. |
| General | |
| Memberships in international organizations (e.g., IOSCO)? Please specify. | BCE: FIA, Association of Futures Markets. BSE: IOSCO, ISMA, FIBV (as an affiliate member). HBCMS: IOSCO. KELER: CEECSDA, ANNA, ECOFEX (as observer member), Association of Emerging Commodities Markets. |
| E-mail contact information. | BCE: < bce@bce-bat.com >. BSE: < reichardk@bse.hu >. HBCMS: < vorosl@aptf.hu >. KELER: < keler@keler.hu >. |
| Web site address(es). | BCE: < www.bce-bat.com >. BSE: < www.bet.hu >. KELER: < www.aptf.hu >. |

| EXCHANGE DATA | |
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| Exchanges/Contracts Traded | |
| List derivatives exchanges. | Budapest Commodity Exchange (BCE). Budapest Stock Exchange (BSE). |
| Who owns the exchange (members, government, other)? | Members. |
| For each exchange, list contract types traded. | BCE: Agricultural – futures & options. Financials – futures. Livestock – futures. BSE: Interest rate, currencies, equities, indices. |
| Do you have a stock index? If so, please specify. | BCE: No. BSE: Yes – BUX (shares), DWIX (government debt securities), CESI (Central European Stock Index), RAX (BAMOSZ Equity Investment Fund Portfolio Index). |
| Do stock index futures exist? If so, please specify. | BCE: No. BSE: Yes, cash delivery, 6 maturities a year. |
| What was the average daily volume in futures contract trading at year-end 1998? | BCE: 33,400 contracts (financial), 430 contracts (grain). BSE: 11.83 billion HUF value. |
| What was the annual futures contract trading volume for 1998 (number of contracts/contracts' value)? | BCE: 8,455,182 contracts (total). BSE: 2,918,523 contracts; 2,934,472 million HUF value. |
| What was the level of open interest in futures contracts at year-end 1998? | BCE: 484,796 contracts (total). BSE: N/a |
| Please describe how you compute contract volume. | BCE: Daily. BSE: Single. |
| Trading Features | |
| Is trading conducted electronically or by open outcry? | BCE: Open outcry. After-hours electronic trading system. BSE: Cash Market – electronically. Futures market uses open outcry with electronic opening and closing sessions. |
| Are prices disseminated in real-time? If so, how? | BCE: Yes. Dissemination is conducted through Reuters. BCE prices are also available on BCE/FUTEX 1, BCFOR, BCGFUT, BCMFUT, and Telerate. BSE: Yes. Dissemination is conducted through Reuters, Bloomberg, MTI, Telekurs. |

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| How frequently do you match trades? | BCE: Daily. BSE: Real-time matching in the opening and closing session [fixing system]. |
| Is dual trading permitted? | BCE: Yes. BSE: Yes. |
| What surveillance programs are used? | BCE: There is no electronic program. Surveillance is provided by exchange employees called “speakers” or “pit bosses,” and also by representatives of the HBCMS. BSE: Employees of the HBCMS are present at trading sessions. |
| Risk Management/Clearing | |
| Do exchanges have clearing houses? | Yes. KELER, Ltd., under license granted by the HBCMS, serves as the settlement organization for derivatives and spot securities traded on the BSE, and for the derivatives trades concluded on the BCE. KELER is the only clearing organization in Hungary. |
| Who owns the clearing house? Is the clearing house affiliated or separate? | It is separately owned, with 25% owned by BCE, 25% by BSE and 50% by the NBH. |
| What is the settlement time frame (<i>e.g.</i> , T+ <u> </u>)? | BCE: T+0 (futures and options). BSE: Cash market equities – T+5. Cash market bonds – T+2. Futures – T+0. KELER (OTC): T+0. |
| Is margin required? | BCE: Yes. BSE: Yes. |
| Who sets the margin levels? | For both exchanges, margin levels are set by the clearing house. Margin levels are reviewed based on market conditions. KELER has the right to change the margin level anytime without prior notice. |
| Is margin calculated on a gross or net basis? | Margin is calculated on a gross basis except on the BSE cash market. |
| How frequently are positions marked to market? How often are gains/losses settled? | Positions are marked to market daily and realized gains and losses are debited/credited by the clearing house from/to the respective account on T+0. If the price change exceeds the daily limit on any single trading day, the exchange suspends trading temporarily and KELER initiates intra-day clearing. In the course of intra-day clearing, KELER defines the profit/loss realized on actual open positions and transfers the variation margin |

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| | <p>onto a blocked margin sub-account of the member until the final clearing of that day. The exchange shall suspend the trading rights of members with insufficient collateral on the notice of KELER.</p> |
| <p>What kind of financial backing exists for brokers/clearing members/clearing houses in case of failure?</p> | <p>The clearing house guarantees the settlement and delivery of matched standardized derivatives trades. The collected guarantee deposits can be used as collateral by the clearing house, and are immediately callable if required. In the event of a default, the following items can be used by the clearing house in order of priority:</p> <ul style="list-style-type: none"> - Initial margin, - Financial collateral, - Freely obtainable equities of the defaulting member, - Collective guarantee funds. |
| <p>How does the clearing house allocate losses in the event of a clearing member default?</p> | <p>In the case of client default, the member is obligated to cover the loss from its own funds, and performing client margins must be left unaffected. In case of member default, client funds and positions are compulsorily transferred into other clearing member accounts, and cannot be used to fulfill the defaulting member's obligations.</p> |
| <p>Can customer positions be transferred in the event of default?</p> | <p>Yes. In the event of a defaulting clearing member, KELER requires the defaulting member to transfer all non-defaulting client positions and their respective margin deposits to another clearing member. If it is necessary to ensure the security of client positions, KELER has the right to transfer all client positions to another clearing member.</p> |
| <p>Are emergency rules in place? If so, please specify.</p> | <p>Yes. KELER does have an emergency action procedure. The description of position transfer and emergency procedures is presented in KELER's rules concerning Commodity Exchange Clearing and Settlement and regarding Standardized Futures Transactions Effected on the Stock Exchange. According to the regulation, in order to curb losses, KELER has the right to close, transfer and liquidate positions. As outlined in KELER's internal</p> |

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| | <p>procedures, KELER does its best to minimize losses and time required for liquidations. Liquidation does depend, however, on the specific circumstances involved. In order to maintain market stability, the clearing house has freedom to decide about the volume, position and time of liquidation in case of default.</p> |
| General | |
| Are exchange rules available on the Internet? | <p>BCE: Yes. BSE: No. KELER: Yes.</p> |
| E-mail contact information. | <p>BCE: <bce@bce-bat.com>. BSE: <reichardk@bse.hu>. KELER: <keler@keler.hu>.</p> |
| Web site address(es). | <p>BCE: <www.bce-bat.com>. BSE: <www.bet.hu>. KELER: <www.aptf.hu>.</p> |

Poland

| GENERAL AND ECONOMIC DATA | |
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| Macroeconomic Data | |
| 1998 GDP (US\$) | \$157,542,319,000 |
| 1998 GDP Percentage Increase (US\$) | 4.8% |
| 1998 GDP per capita (US\$) | \$4,074 |
| 1998 Consumer Price Index Increase | 8.6% |
| 1998 Balance of Trade Surplus (Deficit) | (\$18,408,878,840) |
| 1998 Total External Debt | \$33,167,100,000 |
| Total External Debt/GDP | 21.1% |
| Market Data | |
| 1998 Stock market capitalization (US\$) | \$20,768,000,000 |
| 1998 Stock market capitalization/GDP | 13.2% |
| 1998 Government Debt Market | \$34,686,521,450 |
| Yield to Maturity (%) of 1/5/10 year Government Debt Instruments as of 6/30/98 | 2-year and 5-year: depending on redemption date, rate ranges from 12 to 17% per annum. |
| Annualized Volatility (%) for 1/5/10 year Government Debt Instruments as of 6/30/98 | N/a |
| Annualized Volatility (%) for a Broad Index of Equities | N/a |
| General Data | |
| Currency | Zloty. |
| Is currency pegged to US dollar? If so, what is the currency floor? The cap? | No. |
| Actual Range of Exchange Rate from 6/30/97 to 6/30/98? | 3.268 – 3.563 |
| Sovereign Debt Rating | Baa3/BBB- |
| 1998 Population | 38,667,000 |
| Major Sectors (Agriculture, Mining, Industry) | Mining and quarrying, and manufacturing (food products and beverages, metal products and basic metals, machinery and equipment, chemicals and chemical products). |

| REGULATORY DATA | |
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| Regulatory Framework | |
| Principal derivatives law. | <p>The Law on the Public Trading of Securities of August 21, 1997.</p> <p>The Regulation of the Council of Ministers of December 22, 1998 specifies the entities entitled to apply for consent to introduce derivatives to public trading, the particular conditions which must be met by these entities, and the particular procedures and conditions for introducing these securities, including the criteria which these securities have to meet to be traded.</p> |
| Principal securities law. | The Law on the Public Trading of Securities of August 21, 1997. |
| Futures regulatory authority. | The Polish Securities and Exchange Commission (PSEC). |
| Securities regulatory authority. | PSEC. |
| Do self-regulatory organizations (SROs) supplement governmental regulation? How? | Yes. The National Depository for Securities (NDS) and the Warsaw Stock Exchange (WSE) issue their own regulations. Individual brokers must adhere to the code of ethics issued by the brokers association. |
| Regulation of Exchanges | |
| Must exchanges/contracts be authorized by the authorities prior to the start of trading? | Yes. |
| What trade and other information reporting/dissemination and recordkeeping requirements apply to exchanges? | An authorized representative of the PSEC has the right to access the headquarters and premises of stock exchanges in order to inspect the books, documents and other information held. Making amendments to the exchanges' bylaws or rules and regulations requires the PSEC's consent. |
| Do price limits and circuit breakers exist? If so, at what levels are they set? | <p>Yes. 10%.</p> <p>WSE: According to the "Terms and Conditions of Issuing and Trading WIG 20 Futures Contracts," there exist the following limits:</p> <ul style="list-style-type: none"> - Limits on the size of the order (the maximum size of a single order is 100 contracts); |

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| | <ul style="list-style-type: none"> - Clearing member's daily limit, defined by the size of the clearing member's deposit; - Clearing member's exposure limit; - Investor's exposure limit. |
| Are there special requirements for electronic trading systems? If so, please specify. | No. |
| Are exchanges audited by regulators? By others (specify)? | Yes. |
| Regulation of Financial Service Providers | |
| Are there licensing/authorization requirements for brokers? For others (specify)? | <p>Yes. Special requirements are specified by the Regulation of the Council of Ministers of December 22, 1998 on minimum amount of brokerage houses' own funds and the maximum amount of credit and loans and outstanding debt securities in relation to their own funds. The regulation also specifies the minimum amount of banks' own funds allocated to conduct brokerage activities and to keep securities accounts.</p> <p>The brokerage activities may be conducted solely by a joint stock company.</p> <p>Brokerage houses are obliged to employ brokers or advisors depending on the kind of conducting planned activities.</p> |
| What reporting/recordkeeping requirements apply to market participants (traders/brokers)? | <p>The requirements are specified by the Regulation of the Council of Ministers of December 22, 1998 on the scope, procedure, form and terms producing information concerning the activities and financial standing of brokerage houses, banks conducting brokerage activities and banks keeping securities accounts.</p> <p>Current reports include important events and periodic reports: monthly, semi-annual, initial annual and annual financial reports as well as semi-annual reports concerning activities and functioning of internal supervision.</p> |
| Are there sales practice/conduct of business standards for brokers? Others (specify)? | Individual brokers must adhere to the code of ethics issued by the brokers association. |

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| <p>Are there minimum capital requirements for brokers? For others (specify)?</p> | <p>Yes. Brokerage houses in the securities market have to receive a license from the PSEC, which requires licensees to meet minimum financial requirements (2 million PLN for basic activities; 4 million PLN for buying and selling securities on their own accounts in order to perform the tasks associated with organizing a regulated market; 50 million PLN for a bank to keep securities accounts).</p> <p>Exchanges must also meet minimum financial requirements.</p> |
| <p>Are brokers audited by regulators? By others (specify)?</p> | <p>Yes.</p> |
| <p>Are there segregation requirements for customer funds? If so, please describe.</p> | <p>Yes. According to the Regulation of the Council of Ministers of December 22, 1998 on the procedures and the conditions to operate for brokerage houses, banks conducting brokerage activities and banks keeping securities accounts.</p> |
| <p>Are there other customer compensation or “insurance” arrangements? If so, please describe.</p> | <p>WSE: the NDS creates and manages the following safeguard instruments:</p> <ul style="list-style-type: none"> - Clearing member’s deposit, - Margin, - Future market guarantee fund, - Daily marketing to the market. <p>According to Article 118-123 of the Law, the Chamber of Brokerage Houses may establish guarantee funds which will be funded with compulsory payments made by brokerage houses and banks conducting brokerage activities. The Chamber may determine that membership in the fund is mandatory for its members. The purpose of the indemnity fund is to provide the owners of securities accounts and monetary accounts an assurance of payment of funds collected on such accounts if a fund member were to be declared bankrupt or if the motion to declare bankruptcy is dismissed if a fund member’s assets are insufficient to cover the costs of the proceedings. The funds accumulated on a</p> |

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| | <p>customer's monetary accounts are covered by a guarantee of payment from the guarantee fund's assets. Creation of the fund is being discussed by the Chamber of Brokerage Houses and the PSEC.</p> <p>Council Directive 97/9/EC of 3 March 1997, on investor-compensation schemes, provides for obligatory membership in the fund, the amount of guarantee of client assets not less than 20,000 EURO. It is also foreseen that the guarantee will cover both monetary and securities accounts.</p> <p>The financial situation of entities conducting brokerage activities is monitored by the PSEC through financial requirements (<i>i.e.</i>, net capital, security ratio, maximal engagement level, current engagement level).</p> |
| Are there custody requirements for customer funds? If so, please describe. | The custody activities are licensed by the PSEC. The minimum level of a firm's own funds has to amount to 50 million PLN. |
| Are there dispute resolution procedures? If so, please describe. | Each rule of the brokerage house specifies forms of complaint consideration. |
| Access to Foreign Markets | |
| Must foreign markets be approved for use by domestic investors? If so, by whom? | No. Domestic investors may locate their money in securities traded on international regulated markets in the states belonging to the Organization of Economic Co-operation and Development. |
| Foreign Access to Markets | |
| Are there limits on foreign investments in derivatives? If so, please describe. | No. |
| Are there restrictions on repatriation of funds? If so, please describe. | No. |
| Is there a double taxation treaty? | Yes. |
| Are there special dispute resolution procedures for foreign market users? If so, please describe. | No. |
| Taxation | |
| How are gains on derivatives products taxed? | Derivatives products, which are securities under the Law, are not subject to income tax until 2001. |

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| | Derivatives (<i>e.g.</i> , U.S. dollar future contract), whose market price is directly or indirectly related to the fluctuations in the market price of foreign currencies or to interest rate fluctuations, are subject to income tax. |
| Insolvency | |
| What insolvency provisions apply to futures markets? | Bankruptcy regulations and amicable procedure regulations. |
| Enforcement | |
| What authority is responsible for punishing violations of exchange rules, the law, or regulations governing derivatives? Fraud? | PSEC (for penalties). WSE: According to the rules of the WSE, if the issuer of securities listed on the exchange defaults on his obligations, or an exchange member violates the rules governing the exchange, it shall be subject to regulatory penalty. Regulatory penalties are: reprimand and pecuniary penalty. Court: Fraud. |
| General | |
| Memberships in international organizations (<i>e.g.</i> , IOSCO)? Please specify. | IOSCO, IMF, OECD, World Bank. |
| E-mail contact information. | PSEC: < sekr@kpwg.gov.pl >. |
| Web site address(es). | Under construction: < www.kpwg.gov.pl >. |

| EXCHANGE DATA | |
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| Exchanges/Contracts Traded | |
| List derivatives exchanges. | Warsaw Stock Exchange (WSE). Central Table of Offers (CTO): the regulated over-the counter market. |
| Who owns the exchange (members, government, other)? | WSE: At the end of 1998, 52 banks and brokerage houses as well as the State Treasury owned shares of the WSE. CTO: At the end of 1998, 10 banks and 10 brokerage houses owned shares of the CTO. |
| For each exchange, list contract types traded. | WSE: Contracts - WIG 20 futures contracts, US dollar futures contracts; Warrants – Electrim (public company listed on the WSE), NIF index. CTO: Warrants - IM index (10 largest public companies listed on the WSE), IB index (5 largest banks listed on the WSE), three public companies listed on the WSE (Polish Telecom, BIG-BG, KGHM). |
| Do you have a stock index? If so, please specify. | WSE: Yes (WIG, MIDWIG, WIG 20, WIRR, NFI). CTO: ITO. |
| Do stock index futures exist? If so, please specify. | Yes. WIG 20. |
| What was the average daily volume in futures contract trading at year-end 1998? | WSE: The first derivatives instruments (WIG 20 futures contracts) have only been traded on the WSE since January 16, 1998; the first warrants (Electrim and NIF) have been traded since March 9, 1998. CTO: The first warrants (IM 10 Index and IB 5 index) have been traded since March 2, 1998. |
| What was the annual futures contract trading volume for 1998 (number of contracts/contracts' value)? | Value of turnover of WIG 20 futures contracts in 1998 amounted to \$160 million. Trading volume in 1998 amounted to 24,298. |
| What was the level of open interest in futures contracts at year-end 1998? | Open interest (number of positions) of WIG 20 future contracts at year end amounted to 675. |
| Please describe how you compute contract volume. | N/a |

| Trading Features | |
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| Is trading conducted electronically or by open outcry? | Electronically. |
| Are prices disseminated in real-time? If so, how? | In real-time in the continuous trading system. |
| How frequently do you match trades? | N/a |
| Is dual trading permitted? | Yes, but there are procedures restricting the flow of information within the investment firm. |
| What surveillance programs are used? | N/a |
| Risk Management/Clearing | |
| Do exchanges have clearing houses? | WSE: The National Depository for Securities (NDS) manages a system for guaranteeing the clearing of futures market transactions. CTO: NDS. |
| Who owns the clearing house? Is the clearing house affiliated or separate? | NDS is a joint stock company. The shareholders of the NDS are the WSE (2/3) and the State Treasury (1/3). |
| What is the settlement time frame (e.g., T+_)? | T+3. |
| Is margin required? | WSE: The NDS creates and manages the following safeguard instruments: <ul style="list-style-type: none"> - Clearing member's deposit, - Margin, - Futures market guarantee fund, - Daily marking to the market. Margin is designed to secure open positions on individual accounts assigned to a given clearing member. |
| Who sets the margin levels? | WSE: As far as margin in the customer/clearing member relationship is concerned, margins are paid by customers to the NDS members. Each customer is required to deposit an initial margin, representing 10.5% of the position value. If, in the opinion of the NDS, the futures contract's risk changes as a result of current market developments, this percentage may be changed by an NDS announcement. The size of the initial margin, as set by the NDS and payable upon placing an order, is the minimum amount. A party maintaining the customer's account recording specific rights attached to securities and the |

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| | account securing the performance of obligations arising from specific rights attached to securities may set a higher level of initial margin to be deposited by an investor. |
| Is margin calculated on a gross or net basis? | Net. |
| How frequently are positions marked to market? How often are gains/losses settled? | <p>WSE: In order to minimize risk, the NDS conducts daily marking to the market. The value of funds is calculated which must be paid into the NDS in respect of open positions affected by unfavorable price developments, or which are able to be released by the NDS in respect of opposite positions.</p> <p>The rights and obligations of parties resulting from futures contracts are calculated on a daily basis after the registration of exchange transactions and other operations which may be implemented on a given day.</p> |
| What kind of financial backing exists for brokers/clearing members/clearing houses in case of failure? | The clearing fund's assets are excluded from execution proceedings against a participant. Assets subject to execution are those which have been disbursed from the fund by the National Depository for Securities after satisfying all of the entity's liabilities from whose estate the execution is conducted or is supposed to be conducted. The payment which the party is obliged to remit in connection with the reconciliation of the transaction may not be the subject of bankruptcy, liquidation or execution proceedings, even if the said proceedings were initiated before the transaction was settled. |
| How does the clearing house allocate losses in the event of a clearing member default? | N/a |
| Can customer positions be transferred in the event of default? | N/a |
| Are emergency rules in place? If so, please specify. | Yes. |
| General | |
| Are exchange rules available on the Internet? | Yes. |
| E-mail contact information. | WSE: < gielda@gpw.com.pl >. CTO: < ceto@ceto.pl >. |
| Web site address(es). | WSE: < www.gpw.com.pl >. |

Portugal

| GENERAL AND ECONOMIC DATA | |
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| Macroeconomic Data | |
| 1998 GDP (US\$) | \$104,985,065,105 |
| 1998 GDP Percentage Increase (US\$) | 4.0% |
| 1998 GDP per capita (US\$) | \$10,620 |
| 1998 Consumer Price Index Increase | 2.2% |
| 1998 Balance of Trade Surplus (Deficit) | (\$2,204,686,367) |
| 1998 Total External Debt | \$16,855,262,013 |
| Total External Debt/GDP | 16.0% |
| Market Data | |
| 1998 Stock market capitalization (US\$) | \$62,339,743,486 |
| 1998 Stock market capitalization/GDP | 59.4% |
| 1998 Government Debt Market | N/a |
| Yield to Maturity (%) of 1/5/10 year Government Debt Instruments as of 3/31/99 | Portuguese Treasury Bond (OT) 11.875% March 2000: 2.93% OT 8.875% January 2004: 3.48% OT 3.95% June 2009: 4.27% OT 5.45% September 2013: 4.62% |
| Annualized Volatility (%) for 1/5/10 year Government Debt Instruments as of 3/31/99 | Annualized Standard Deviation (over 2 months: February and March 1999): OT 11.875% April 2000: 0.80% OT 8.875% June 2004: 3.07% OT 3.95% June 2009: 5.99% OT 5.45% September 2013: 6.94% |
| Annualized Volatility (%) for a Broad Index of Equities | PSI – 20: 18.37% |
| General Data | |
| Currency | Escudo and Euro. The Euro may be used on financial operations. |
| Is currency pegged to US dollar? If so, what is the currency floor? The cap? | No. |
| Actual Range of Exchange Rate from 3/31/98 to 3/31/99? | 164.485 – 189.945 |
| Sovereign Debt Rating | Aa2/AA- |
| 1997 Population | 9,810,000 |
| Major Sectors (Agriculture, Mining, Industry) | Textiles, footwear, cork, chemicals, fish canning, wine, and paper. |

| REGULATORY DATA | |
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| Regulatory Framework | |
| Principal derivatives law. | Securities Market Act; Financial Institutions Act. |
| Principal securities law. | Securities Market Act; Financial Institutions Act. |
| Futures regulatory authority. | Comissão do Mercado de Valores Mobiliários (CMVM). |
| Securities regulatory authority. | CMVM. |
| Do self-regulatory organizations (SROs) supplement governmental regulation? How? | Yes, the Bolsa de Derivados do Porto (BDP) is a self-regulatory entity. BDP regulations are approved by the BDP Board of Directors or by its Chief Executive Officer. Only the Futures and Options contracts and Master Agreements that must be signed between the Association of Portuguese Futures and Options Exchanges (ABDP), Market Members and the investors must be approved by CMVM after a BDP proposition. |
| Regulation of Exchanges | |
| Must exchanges/contracts be authorized by the authorities prior to the start of trading? | Yes, under article 192 and 201 of the Securities Market Act, all exchanges must be previously authorized by the Minister of Finance and by the CMVM. Contracts must be approved by CMVM prior to the start of trading. |
| What trade and other information reporting/dissemination and recordkeeping requirements apply to exchanges? | Financial institutions must maintain trading related documents for a period of 5 years. If those documents are fiscally relevant, they must be maintained for 10 years pursuant to article 642 of the Securities Market Act. |
| Do price limits and circuit breakers exist? If so, at what levels are they set? | There are indicative maximum daily fluctuations (changeable) by the derivatives exchange): <ul style="list-style-type: none"> - OT 10 futures: ± 140 ticks; - Lisbor 3 month futures: ± 25 ticks; - PSI – 20 futures: ± 400 ticks; - Futures over EDP shares: ± 100 ticks; - Futures over Portugal Telecom shares: ± 225 ticks; - Futures over BCP shares: ± 200 ticks; - Futures over Cimpor shares: ± 200 ticks. There are no circuit breakers. |

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| Are there special requirements for electronic trading systems? If so, please specify. | The electronic trading systems are chosen by the Stock Exchanges and must comply with the law and regulations. |
| Are exchanges audited by regulators? By others (specify)? | Yes. The CMVM and the Portuguese Central Bank (BP) both have the power to audit all securities market institutions. However, the power to audit the exchanges belongs solely to the CMVM. |
| Regulation of Financial Service Providers | |
| Are there licensing/authorization requirements for brokers? For others (specify)? | Financial institutions must obtain authorization from the Central Bank and CMVM before commencing business. Financial and operational requirements must be met before authorization is granted. These requirements were established pursuant to the Securities Market Act or Financial Institutions Act. The brokers must be associates of the stock exchanges and of the clearing houses. |
| What reporting/recordkeeping requirements apply to market participants (traders/brokers)? | <p>The Securities Market Act and the CMVM Regulations require all financial institutions to report to the authorities information relating to:</p> <ul style="list-style-type: none"> - Ownership of the institution; - Identification of the members of the board of directors; - Trades done on the OTC Market; - Financial information (accounting documents); <i>etc.</i> <p>The CMVM has on-line information on the trades done at the exchanges.</p> <p>Financial institutions must maintain trading related documents for a period of 5 years. If those documents are fiscally relevant, they must be maintained for 10 years pursuant to article 642 of the Securities Market Act.</p> |
| Are there sales practice/conduct of business standards for brokers? Others (specify)? | Yes. |
| Are there minimum capital requirements for brokers? For others (specify)? | <p>Yes. The minimum capital requirements for the main financial institutions are:</p> <ul style="list-style-type: none"> - Banks: PTE 3,500,000,000; - Investment firms: PTE 1,500,000,000; |

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| | <ul style="list-style-type: none"> - Dealers: PTE 500,000,000; - Brokers: PTE 50,000,000. <p>Bolsa de Derivados do Porto (BDP) clearing members must meet a minimum capital of PTE 500,000,000.</p> |
| Are brokers audited by regulators? By others (specify)? | Yes. The CMVM and the BDP both have the power to audit all securities market institutions. |
| Are there segregation requirements for customer funds? If so, please describe. | Article 84 of the Securities Market Act requires financial institutions to segregate their own funds from client deposited funds. BDP's members operate separate accounts for their own trades and for clients. Client accounts are recorded in individually numbered sub-accounts. The client number is allocated as part of the mandatory completion of a client agreement. |
| Are there other customer compensation or "insurance" arrangements? If so, please describe. | Yes. For example, if the broker wants to buy/sell from its client, the client must be informed and must accept. |
| Are there custody requirements for customer funds? If so, please describe. | The clearing house does not take funds directly from the customer. If the customer pays in cash, the cash is delivered to its clearing member (typically a bank or dealer, though dealers are not currently used). The bank is obligated to segregate the funds. The bank then delivers the initial margin to the clearing house. The bank is not obligated to post margin in exactly the same amount as the clearing member. In the event the bank delivers cash, the clearing house segregates the funds and delivers them to another bank to earn interest. In sum, the funds are effectively segregated and secure because they are deposited against collateral. They are also segregated in case of insolvency. |
| Are there dispute resolution procedures? If so, please describe. | No. However, the majority of conflicts are informally resolved. |
| Access to Foreign Markets | |
| Must foreign markets be approved for use by domestic investors? If so, by whom? | No. |

| Foreign Access to Markets | |
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| Are there limits on foreign investments in derivatives? If so, please describe. | No. The limits are equal for foreigners and nationals. |
| Are there restrictions on repatriation of funds? If so, please describe. | No. However, a notification is required for statistical purposes pursuant to Decree-Law 170/93, May 11, 1993. |
| Is there a double taxation treaty? | Yes. Portugal signed a double taxation treaty with the U.S. in 1995. This treaty was ratified by Parliament Resolution 39/95. |
| Are there special dispute resolution procedures for foreign market users? If so, please describe. | No (see above). |
| Taxation | |
| How are gains on derivatives products taxed? | <p>Gains on derivatives are taxed as commercial activities' profits. Unrealized gains or losses on futures and options negotiated on the BDP are subject to mark-to-market accounting. This determines the taxable income on any positions open at the end of the fiscal period. Mark-to-market rules are inapplicable to unrealized gains on contracts hedging the risk of a transaction in the next accounting period.</p> <p>There are no withholding taxes on income derived from BDP futures and options contracts for residents or non-residents. Non-residents are exempted from taxation. Futures and options contracts are exempted from the Value Added Tax and from the Stamp Duty.</p> <p>Until 2001, a fiscal benefit will apply to futures and options contracts traded at BDP:</p> <ul style="list-style-type: none"> - Futures and options on shares or on stock indices – positive income will be subject to a separate taxation of 10% for individuals and investment funds. - Other futures and options contracts – positive/negative income will be subject to taxation/available as a tax offset according to the following schedule: 50% (1997); 60% (1998); 70% (1999); 80% (2000); and 90% (2001). |

| Insolvency | |
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| What insolvency provisions apply to futures markets? | A special insolvency provision created to prevent systemic risk, article 412 of the Securities Market Act, applies to the BDP. Article 412 allows the BDP to close-out all futures and options positions and to execute all the guarantees (<i>i.e.</i> , margin deposits) should insolvency occur. |
| Enforcement | |
| What authority is responsible for punishing violations of exchange rules, the law, or regulations governing derivatives? Fraud? | The authority responsible for punishing is CMVM. However, if the violation is a crime, the responsibility is that of the Public Prosecution service. |
| General | |
| Memberships in international organizations (<i>e.g.</i> , IOSCO)? Please specify. | IOSCO and FESCO. |
| E-mail contact information. | CMVM: < cmvm@cmvm.pt >. BVL: < infomktg@bvl.pt >. BDP: < webmaster@bdp.pt >. |
| Web site address(es). | CMVM: < www.cmvm.pt >. BVL: < www.bvl.pt >. BDP: < www.bdp.pt >. |

| EXCHANGE DATA | |
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| Exchanges/Contracts Traded | |
| List derivatives exchanges. | Bolsa de Derivados do Porto (BDP). |
| Who owns the exchange (members, government, other)? | The exchanges are owned by non-profit associations. These associations are “owned” by the brokers, dealers and credit institutions, but are subject to limitations. |
| For each exchange, list contract types traded. | Futures cover: stock index; long-term interest rate, short-term interest rate, and shares (Portugal Telecom, EDP, BCP and Cimpor). Options cover: stock index futures. |
| Do you have a stock index? If so, please specify. | Yes. There are two main indexes: BVL 30 and PSI 20. The first is the reference index for the Portuguese cash market. The second is the reference index for the Portuguese derivatives market. |
| Do stock index futures exist? If so, please specify. | Yes. The contract is called “Futuros PSI 20,” over the PSI 20 index. |
| What was the average daily volume in futures contract trading at year-end 1998? | 13,635. |
| What was the annual futures contract trading volume for 1998 (number of contracts/contracts’ value)? | 3,367,827. |
| What was the level of open interest in futures contracts at year-end 1998? | 22,660. |
| Please describe how you compute contract volume. | Number of contracts. |
| Trading Features | |
| Is trading conducted electronically or by open outcry? | Electronically. |
| Are prices disseminated in real-time? If so, how? | Yes, via SEND (Sistema Electrónico de Negociação de Derivados) and SIBOP (Sistema Informativo da Bolsa do Porto). |
| How frequently do you match trades? | The derivatives market has continuous trade. |
| Is dual trading permitted? | Yes, but only by dealers. |
| What surveillance programs are used? | Internally developed programs. |
| Risk Management/Clearing | |
| Do exchanges have clearing houses? | Yes. |
| Who owns the clearing house? Is the clearing house affiliated or separate? | The stock exchanges. The clearing house is a separate entity on the cash market, and the same entity on the derivatives market. |

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| What is the settlement time frame (<i>e.g.</i> , T+ <u> </u>)? | T+1 (contracts with financial settlement). T+4 (contracts with financial and physical settlement). |
| Is margin required? | Yes. |
| Who sets the margin levels? | BDP with CMVM approval. |
| Is margin calculated on a gross or net basis? | Gross basis. |
| How frequently are positions marked to market? How often are gains/losses settled? | Positions are marked to market daily; gains/losses are settled once each day. |
| What kind of financial backing exists for brokers/clearing members/clearing houses in case of failure? | In addition to the standard guarantees demanded by derivatives markets (initial plus variation margins), all of the BDP's clearing members must deposit a permanent guarantee with a minimum value of PTE 20,000,000. They must also contribute to a clearing fund with an amount between PTE 5,000,000 and PTE 60,000,000 (depending on their open interest). The clearing fund also provides for assessment of the clearing members in an amount up to three times the amount deposited. Therefore, there is a total mutual financial responsibility of between PTE 20,000,000 and PTE 240,000,000 undertaken by each clearing member. |
| How does the clearing house allocate losses in the event of a clearing member default? | The losses are allocated to the other clearing members. |
| Can customer positions be transferred in the event of default? | Yes. |
| Are emergency rules in place? If so, please specify. | Yes. Whenever there is a default, BDP will close all open positions from the defaulting clearing member and will ensure the transfer of all client positions to another member as well as executing all existing guarantees. |
| General | |
| Are exchange rules available on the Internet? | Yes. |
| E-mail contact information. | BDP: < webmaster@bdp.pt >. |
| Web site address(es). | BDP: < www.bdp.pt >. |

Russia

| GENERAL AND ECONOMIC DATA | |
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| Macroeconomic Data | |
| 1998 GDP (US\$) | \$320,500,000,000 (estimate) |
| 1998 GDP Percentage Increase (US\$) | (4.6%) |
| 1998 GDP per capita (US\$) | \$2,191 (estimate) |
| 1998 Consumer Price Index Increase | 184.4% |
| 1998 Balance of Trade Surplus/Deficit | \$14,156,000,000 |
| 1998 Total External Debt | \$154,300,000,000 (January 1, 1999) |
| Total External Debt/GDP | 48.1% |
| Market Data | |
| 1998 Stock market capitalization (US\$) | \$14,000,000,000 (January 1999) |
| 1998 Stock market capitalization/GDP | 4.4% |
| 1998 Government Debt Market | R750,600,000,000 (January 1, 1999) |
| Yield to Maturity (%) of 1/5/10 year Government Debt Instruments as of 6/30/98 | 1 year bonds: 51% 5 year bonds: 65% 10 year bonds: Not currently traded. |
| Annualized Volatility (%) for 1/5/10 year Government Debt Instruments as of 6/30/98 | Not available. |
| Annualized Volatility (%) for a Broad Index of Equities | Not available. |
| General Data | |
| Currency | Ruble. |
| Is currency pegged to US dollar? If so, what is the currency floor? The cap? | No; free float since January 1, 1998. |
| Actual Range of Exchange Rate from 6/30/97 to 6/30/98? | 5,766 – 6,225 |
| Sovereign Debt Rating | {B3/SD* } |
| 1998 Population | 146,300,000 (January 1, 1999) |
| Major Sectors (Agriculture, Mining, Industry) | Industry (electricity, fuel, metallurgy, chemistry, machinery), trade, transportation. |

* SD = Selective default. The S&P local currency long-term debt rating is CCC.

| REGULATORY DATA | |
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| Regulatory Framework | |
| Principal derivatives law. | <p>Law on Commodities Exchange and Exchange Trading of February 20, 1992 (LCEET) with amendments of 1992, 1993 and 1995. At present, new amendments are being worked out; the correspondent draft was presented to the State Duma.</p> <p>The Regulation by the Government of February 24, 1994 No. 152 on the Commission on the Commodities Exchanges, and the Regulations by the Government of October 9, 1995 No. 981 [On the Licensing of Derivatives Brokers].</p> |
| Principal securities law. | Law on Securities Market of April 22, 1996 (LSM) with amendments of 1998. At present new amendments are being worked out; the correspondent draft was presented to the State Duma on April 14, 1999. |
| Futures regulatory authority. | The Commission on the Commodities Exchanges (CCE) at the Ministry of Antimonopoly Policies and Support of Entrepreneur Activities. |
| Securities regulatory authority. | The Federal Commission for the Securities Market (FCSM). |
| Do self-regulatory organizations (SROs) supplement governmental regulation? How? | <p><i>Securities Market:</i> Due to the provisions of the LSM, there are several organization which unite professional participants which are recognized as SROs. They work out rules and principles of conducting business on the securities market. These organizations are: NAPSМ (National Association of Participants of the Securities Market), NSA (National Securities Association), PARTAD (Professional Association of Register, Transfer-Agents & Depositories), <i>etc.</i> Although the stock exchanges also conduct regulatory functions through adoption of rules on exchange trading, dispute resolution mechanisms, disciplinary rules, <i>etc.</i>, they are not licensed as SROs.</p> |

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| | <i>Derivatives Market:</i> The CCE does not directly oversee the SROs. However, there are associations uniting professional participants of the derivatives market. At present, these associations can be empowered by the CCE to license brokers and fulfill other functions usually done by SROs. |
| Regulation of Exchanges | |
| Must exchanges/contracts be authorized by the authorities prior to the start of trading? | Exchanges: Yes. A derivatives exchange or any other exchange (stock, currency, <i>etc.</i>) must get a license for derivatives trading from CCE prior to the start of trading. To get the license, an exchange should submit its trading rules including those which determine how the decisions on the instruments to be traded on the exchange are taken. Contracts (instruments): No. |
| What trade and other information reporting/dissemination and recordkeeping requirements apply to exchanges? | LCEET requires that the exchange shall make available to its members the information on the results of trades and current order prices. |
| Do price limits and circuit breakers exist? If so, at what levels are they set? | With respect to MICEX, MICEX specifies maximum price changes permissible during a trading session for all derivatives contracts, figured as the difference from the previous day's settlement price. The Risk Management Department monitors current market conditions and prepares recommendations for MICEX management. There is no information available on the other exchanges. No circuit breakers exist. |
| Are there special requirements for electronic trading systems? If so, please specify. | No, there are no special requirements for electronic trading systems. |
| Are exchanges audited by regulators? By others (specify)? | Exchanges usually are audited by independent auditors by the provisions of the general law. With respect to derivatives exchanges, CCE has powers when it finds it necessary to require information from the exchange. CCE also has the power to send a permanent representative to the exchange (State Komissar) to monitor the exchange's activities on a permanent basis. It should be |

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| | noted that the powers of the State Komissar are broader than the powers of an auditor. |
| Regulation of Financial Service Providers | |
| Are there licensing/authorization requirements for brokers? For others (specify)? | The LCEET provides special requirements for licensing of brokers (intermediaries) by the CCE. It also provides for the right of the CCE to empower brokers associations to license their members. The order and requirements of licensing are determined by government regulation No. 981 of 1995. In addition, exchanges can also have their own requirements dealing with amount of assets, balance of the participant of trades, work with clients, <i>etc.</i> |
| What reporting/recordkeeping requirements apply to market participants (traders/brokers)? | A broker must present to the licensing body an annual financial report which should reflect the financial state of the broker, and the movement of its clients' assets. An exchange may demand additional information if necessary. |
| Are there sales practice/conduct of business standards for brokers? Others (specify)? | At present there are no specific codes of conduct or business standards for brokers on the derivatives market. In their activities brokers have to fulfill the general requirements of corresponding regulations of the government. There are also specific requirements established by the exchanges; <i>e.g.</i> , MICEX has certain requirements with respect to the broker-client relationship. |
| Are there minimum capital requirements for brokers? For others (specify)? | Generally, no. However, exchanges usually have such requirements. For example, with regard to MICEX, to become a non-clearing member firm, an entity must have gross capital of US\$ 100,000; banks need \$750,000. To become a clearing firm, banks need \$10,000,000. |
| Are brokers audited by regulators? By others (specify)? | Yes. Brokers must present an annual financial statement to the CCE. Exchanges usually have more stringent requirements. |

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| Are there segregation requirements for customer funds? If so, please describe. | No mandatory requirements exist at the present time. |
| Are there other customer compensation or “insurance” arrangements? If so, please describe. | No mandatory customer compensation or “insurance” arrangements are required at the present time. |
| Are there custody requirements for customer funds? If so, please describe. | No mandatory requirements exist at the present time. |
| Are there dispute resolution procedures? If so, please describe. | According to the LCEET, any exchange must provide for arbitration facilities for dispute resolution. MICEX has an Arbitration Commission. Its rules correspond with the internationally accepted standard for commercial arbitration. |
| Access to Foreign Markets | |
| Must foreign markets be approved for use by domestic investors? If so, by whom? | Major banks holding general licenses are allowed to use foreign financial markets in accordance with guidelines and regulations established by law and the Central Bank. All other residents must obtain the Central Bank’s permission if their transactions can be classified as involving “movement of capital.” In all cases, certain supporting paperwork is required when making payments abroad. |
| Foreign Access to Markets | |
| Are there limits on foreign investments in derivatives? If so, please describe. | Domestic banks holding general licenses can make any OTC derivatives arrangements with foreign parties making foreign investments in derivatives. Since all the transactions within Russia are effected in Russian rubles, foreign investors may participate in derivatives trading in Russia through the use of special restricted ruble-denominated accounts. Certain restrictions do apply and may be further extended at the discretion of the Central Bank. |
| Are there restrictions on repatriation of funds? If so, please describe. | Although the Law on foreign investors generally provides for full repatriation of investment funds, certain technical restrictions may be applicable with respect to conversion of ruble funds into foreign currency with respect to portfolio investors. These restrictions are provided within the currency regulations and they depend on the type of |

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| | ruble account which is used by a foreign investor. |
| Is there a double taxation treaty? | Yes. US/Russia Double Taxation Convention is applicable with respect to the derivatives market. |
| Are there special dispute resolution procedures for foreign market users? If so, please describe. | No. There is no special dispute resolution procedure for foreign market users. With respect to MICEX, the Arbitration Commission at MICEX is competent to resolve any dispute. It applies the standards used for international commercial arbitration. |
| Taxation | |
| How are gains on derivatives products taxed? | Tax treatment of gains on derivatives allows: 1. For speculative transactions – full off-set of losses against gains on the transactions of the same kind, up to the amount of such gains; 2. For hedging transactions – net losses are deductible from gains on the underlying assets. However, no clear guidelines have been established as to what constitutes a hedge. |
| Insolvency | |
| What insolvency provisions apply to futures markets? | MICEX: The bylaws provide that if a member is insolvent, its positions in all contracts are automatically liquidated, collateral available to the clearing house (MICEX) is used to make good on the resulting obligations, and the exchange may terminate its membership. |
| Enforcement | |
| What authority is responsible for punishing violations of exchange rules, the law, or regulations governing derivatives? Fraud? | The CCE is responsible for enforcement of commodities exchange laws and regulations. |
| General | |
| Memberships in international organizations (e.g., IOSCO)? Please specify. | Not applicable. |
| E-mail contact information. | MICEX: < semilutina@micex.com >. |
| Web site address(es). | MICEX: < www.micex.com >. |

| EXCHANGE DATA | |
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| Exchanges/Contracts Traded | |
| List derivatives exchanges | <p>Moscow Interbank Currency Exchange (MICEX). The “St. Petersburg” exchange. Moscow Central Stock Exchange.</p> <p>These exchanges are not purely derivatives exchanges; for example, MICEX runs currency, bond, stock and derivatives markets.</p> |
| Who owns the exchange (members, government, other)? | MICEX: Shareholders – Bank of Russia and about 30 commercial banks. |
| For each exchange, list contract types traded. | <p>MICEX: Responding to the unprecedented financial collapse in Russia, MICEX suspended trading, clearing and settlement for all derivatives instruments on August 17, 1998. All derivatives positions were closed out at the August 14, 1998 price levels, the last full day of active futures contracts trading. The renewal of derivatives trading at MICEX is now being prepared. Before August 17, 1998, cash settled futures and options on US\$/RUR rate, cash settled futures on MICEX Composite Stock Index, and deliverable futures on RAO, UES, and NK “Lukoil” were traded.</p> <p>“St. Petersburg”: US dollar futures, futures on ordinary shares of RAO “Gazprom.”</p> <p>Other exchanges: not available.</p> |
| Do you have a stock index? If so, please specify. | MICEX: A stock index comprising stocks listed at the MICEX Stock Market Division. It is the first and only stock index in Russia based on real-time prices of exchange-traded shares. |
| Do stock index futures exist? If so, please specify. | MICEX: Futures on the MICEX stock index were traded at MICEX from 7 October 1997 to 14 August 1998. |
| What was the average daily volume in futures contract trading at year-end 1997? | MICEX: Average daily volume from 1 January 1998 to 14 August 1998 (153 trading days) was: |

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| | <ul style="list-style-type: none"> - 56,330 contracts; or - R363 mln [value]. <p>These figures are the result of dividing total trading volume (given below) by the number of trading days.</p> |
| What was the annual futures contract trading volume for 1997 (number of contracts/contracts' value)? | <p>MICEX: Total trading volume from 1 January 1998 to 14 August 1998 was:</p> <ul style="list-style-type: none"> - 8,618,491 contracts; or - R55,624 mln [value]. |
| What was the level of open interest in futures contracts at year-end 1997? | <p>MICEX: Total open interest on 14 August 1998 was 773,172 contracts (772,191 in US dollar futures); notional amount was close to \$773 mln.</p> |
| Please describe how you compute contract volume. | <p>MICEX: 1) Contract volume is computed as all bought (OR sold) contracts for the period. 2) "Volume" of a single contract in rubles (value) is equal to trading unit times the price of the transaction.</p> <p>For example, the value of US dollar futures (trading unit is \$1000) is R6500, if the futures price is 6.5 rubles per US dollar.</p> |
| Trading Features | |
| Is trading conducted electronically or by open outcry? | <p>MICEX: Electronically, with instant access to the MICEX trading system from remote trading floors (currently St. Petersburg and Nizhni Novgorod; access from Vladivostok, Novosibirsk and other regional floors is planned for later establishment).</p> |
| Are prices disseminated in real-time? If so, how? | <p>MICEX: Yes, via Reuters and the Internet.</p> |
| How frequently do you match trades? | <p>MICEX: Orders are executed automatically in the MICEX trading system when bid and offer prices coincide, so trades are matched instantaneously.</p> |
| Is dual trading permitted? | <p>MICEX: Yes.</p> |
| What surveillance programs are used? | <p>MICEX: Using its fully electronic trading system, the exchange constantly monitors (in real-time) members' financial situations and exchange trading practices. Attempts to violate position limits or to exceed price limits will result in the rejection of the respective</p> |

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| | <p>member's orders by the electronic trading system. The system checks cash orders prior to execution to determine whether, if the order was executed, the relevant clearing account would remain in compliance with whatever capital (contribution) based position limits were in effect at the time. The system can be set on enforcement or monitoring mode, depending on market conditions. In enforcement mode, trades resulting in positions which would cause a clearing member or trader to exceed its assigned limit will not be executed.</p> |
| Risk Management/Clearing | |
| <p>Do exchanges have clearing houses?</p> | <p>MICEX: The MICEX futures and options clearing house is a concept rather than a distinct organization. All functions of a clearing house are carried out by MICEX itself. Clearing operations are fully automated and integrated with the operations of the trading system. Some aspects of the clearing process are virtually simultaneous with trading.</p> <p>There are two types of clearing members, general and individual. Individual clearing members may clear their own trades and trades of their customers. General clearing members may clear trades of non-clearing trading members in addition to their own and customer's trades.</p> <p>No other derivatives exchanges have clearing houses.</p> |
| <p>Who owns the clearing house? Is the clearing house affiliated or separate?</p> | <p>MICEX: See previous item.</p> |
| <p>What is the settlement time frame (e.g., T+₁)?</p> | <p>MICEX: T+1.</p> |
| <p>Is margin required?</p> | <p>MICEX: Deposit margins are required by the clearing house (MICEX) for all open positions in members' accounts. The deposit margins are available to the clearing house to satisfy clearing members' unpaid obligations to the</p> |

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| | clearing house arising from changes in the value of open positions. |
| Who sets the margin levels? | MICEX: Deposit margin levels is calculated by the Risk Management Department, and approved by MICEX's Executive Board. |
| Is margin calculated on a gross or net basis? | MICEX: Before trading was temporarily suspended in August 1998, margins had been calculated on a net basis. Currently, the possibility of calculating margins on a gross basis is being considered. |
| How frequently are positions marked to market? How often are gains/losses settled? | MICEX: Positions are marked to market daily. Clearing members must pay all variation margins due by 9:45am the next business day (T+1). Variation margin must be paid in cash rubles into (a member's sub-account of) the account at the MICEX Settlement Account at the Central Bank. |
| What kind of financial backing exists for brokers/clearing members/clearing houses in case of failure? | MICEX: Clearing members must fulfill all the obligations of all defaulted non-clearing members (brokers). The clearing house fulfills the obligations of any defaulted clearing members using collateral. In case of a default, the collateral is used in the following order: <ol style="list-style-type: none"> 1. Deposit margin of the defaulting clearing member; 2. Its contribution to the guarantee fund; 3. MICEX's reserve fund; 4. Contributions of other clearing members. |
| How does the clearing house allocate losses in the event of a clearing member default? | MICEX: See previous item. |
| Can customer positions be transferred in the event of default? | MICEX: Customer positions can be transferred in the event of default per the customer's request. |
| Are emergency rules in place? If so, please specify. | MICEX: Emergency rules are in place. In emergency cases, MICEX shall, per an independent decision of the Exchange Council, temporarily suspend trading and take efforts to stabilize the situation (<i>e.g.</i> , require extra collateral, change mode of contracts' execution, mandatory close out positions). |

| General | |
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| Are exchange rules available on the Internet? | Generally, yes. At present, as trades at MICEX are suspended and the rules are under revision, they are exempted from being placed on the MICEX web site. The rules will be made available when trading restarts. |
| E-mail contact information. | MICEX: < semilutina@micex.com >. |
| Web site address(es). | MICEX: < www.micex.com >. |

Slovenia

| GENERAL AND ECONOMIC DATA | |
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| Macroeconomic Data | |
| 1998 GDP (US\$) | \$19,611,000,000 |
| 1998 GDP Percentage Increase (US\$) | 3.9% |
| 1998 GDP per capita (US\$) | \$9,891 |
| 1998 Consumer Price Index Increase | 7.9% |
| 1998 Balance of Trade Surplus (Deficit) | \$38,000,000 |
| 1998 Total External Debt | \$4,935,000,000 |
| Total External Debt/GDP | 25.1% |
| Market Data | |
| 1998 Stock market capitalization (US\$) | \$2,992,800,000 |
| 1998 Stock market capitalization/GDP | 15.3% |
| 1998 Government Debt Market | N/a |
| Yield to Maturity (%) of 1/5/10 year Government Debt Instruments as of 6/30/98 | N/a |
| Annualized Volatility (%) for 1/5/10 year Government Debt Instruments as of 6/30/98 | N/a |
| Annualized Volatility (%) for a Broad Index of Equities | N/a |
| General Data | |
| Currency | Tolar. |
| Is currency pegged to US dollar? If so, what is the currency floor? The cap? | No. |
| Actual Range of Exchange Rate from 12/31/97 to 12/31/98? | 158.25 – 173.275 |
| Sovereign Debt Rating | A3/A |
| 1997 Population | 1,990,000 |
| Major Sectors (Agriculture, Mining, Industry) | Steel, electronics, vehicles, chemicals, pharmaceuticals, and textiles. |

| REGULATORY DATA | |
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| Regulatory Framework | |
| Principal derivatives law. | Not applicable. |
| Principal securities law. | Securities Market Law (SML). |
| Futures regulatory authority. | Not applicable. |
| Securities regulatory authority. | Securities Market Agency (SMA). |
| Do self-regulatory organizations (SROs) supplement governmental regulation? How? | Yes. Trading Rules of Exchange & Clearing Rules by Central Clearing (KOD), and membership surveillance. |
| Regulation of Exchanges | |
| Must exchanges/contracts be authorized by the authorities prior to the start of trading? | Exchanges must be authorized. |
| What trade and other information reporting/dissemination and recordkeeping requirements apply to exchanges? | All trading must be recorded for perfect point-trade transparency dissemination of trading prices and quantities. |
| Do price limits and circuit breakers exist? If so, at what levels are they set? | Yes. Stock exchange listed stocks have a 10% daily limit, as set by the Trading Rules. |
| Are there special requirements for electronic trading systems? If so, please specify. | No. |
| Are exchanges audited by regulators? By others (specify)? | They are audited by a licensed auditing company. |
| Regulation of Financial Service Providers | |
| Are there licensing/authorization requirements for brokers? For others (specify)? | Yes, according to the provisions of the SML and secondary legislation by the SMA. This applies to investment management companies as well. |
| What reporting/recordkeeping requirements apply to market participants (traders/brokers)? | Post-trade transparency must be assured perfectly. All documents regarding customer and own-account trades and orders must be kept. |
| Are there sales practice/conduct of business standards for brokers? Others (specify)? | Yes. Broker-customers and clearing members have their customer relations rules set by the SMA, while trading conduct is set by the exchange. |
| Are there minimum capital requirements for brokers? For others (specify)? | Yes. Fixed amounts of starting capital are prescribed. The amount depends on the business of the broker-dealer. Similarly, there are requirements for exchanges and clearing members, <i>etc.</i> |
| Are brokers audited by regulators? By others (specify)? | Auditing is performed by licensed auditing companies. |

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| Are there segregation requirements for customer funds? If so, please describe. | Yes. Customers have separated individual securities accounts and money accounts. |
| Are there other customer compensation or “insurance” arrangements? If so, please describe. | No. |
| Are there custody requirements for customer funds? If so, please describe. | No, but a customer can choose custody. |
| Are there dispute resolution procedures? If so, please describe. | The exchanges have dispute resolution mechanisms, although they are not binding. |
| Access to Foreign Markets | |
| Must foreign markets be approved for use by domestic investors? If so, by whom? | According to the new Foreign Exchange Law from April 1999 (Article 27) banks and insurance companies can buy foreign securities (on their own account) without limitations. Residents other than banks, insurance companies and investment funds can buy foreign securities with limitations: only securities issued by OECD countries, international financial institutions and other first-class securities (rated by at least two internationally approved rating agencies); they are allowed to buy other securities only under conditions set by the Bank of Slovenia. |
| Foreign Access to Markets | |
| Are there limits on foreign investments in derivatives? If so, please describe. | Not applicable. |
| Are there restrictions on repatriation of funds? If so, please describe. | No. |
| Is there a double taxation treaty? | Yes, with some nations. |
| Are there special dispute resolution procedures for foreign market users? If so, please describe. | No. |
| Taxation | |
| How are gains on derivatives products taxed? | Not applicable. |
| Insolvency | |
| What insolvency provisions apply to futures markets? | Not applicable. |
| Enforcement | |
| What authority is responsible for punishing violations of exchange rules, the law, or regulations governing derivatives? Fraud? | Not applicable. |

| General | |
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| Memberships in international organizations (e.g., IOSCO)? Please specify. | IOSCO. |
| E-mail contact information. | SMA: < mitja.selan@a-tvp.si >. |
| Web site address(es). | SMA: < www.a-tvp.si >. |

| EXCHANGE DATA | |
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| Exchanges/Contracts Traded | |
| List derivatives exchanges. | None at this time. |
| Who owns the exchange (members, government, other)? | Not applicable. |
| For each exchange, list contract types traded. | Not applicable. |
| Do you have a stock index? If so, please specify. | Yes. SBI: Slovenia Exchange Index established by the Slovenia Stock Exchange. |
| Do stock index futures exist? If so, please specify. | Not applicable. |
| What was the average daily volume in futures contract trading at year-end 1997? | Not applicable. |
| What was the annual futures contract trading volume for 1997 (number of contracts/contracts' value)? | Not applicable. |
| What was the level of open interest in futures contracts at year-end 1997? | Not applicable. |
| Please describe how you compute contract volume. | Not applicable. |
| Trading Features | |
| Is trading conducted electronically or by open outcry? | Not applicable. |
| Are prices disseminated in real-time? If so, how? | Not applicable. |
| How frequently do you match trades? | Not applicable. |
| Is dual trading permitted? | Not applicable. |
| What surveillance programs are used? | Not applicable. |
| Risk Management/Clearing | |
| Do exchanges have clearing houses? | There is a clearing house (Central Securities Clearing Corporation – KDD) for clearing and settlement of cash and securities transactions executed on the organized market A and B, for clearing and settlement of securities transactions executed outside of the organized market, as well as for performance of other activities (<i>e.g.</i> , the change of data in central registry of securities). |
| Who owns the clearing house? Is the clearing house affiliated or separate? | KDD is a privately held company whose shareholders are investment firms, banks licensed for securities business, management companies, and government funds |

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| | (Privatization Fund, Pension Fund, and Compensation Fund). |
| What is the settlement time frame (e.g., T+)? | T+2. |
| Is margin required? | Not applicable. |
| Who sets the margin levels? | Not applicable. |
| Is margin calculated on a gross or net basis? | Not applicable. |
| How frequently are positions marked to market? How often are gains/losses settled? | Not applicable. |
| What kind of financial backing exists for brokers/clearing members/clearing houses in case of failure? | There is a guarantee fund and a liquidity reserve for purposes of risk management. |
| How does the clearing house allocate losses in the event of a clearing member default? | There is a gradual system for allocation of losses. In the event of default, the guarantee fund is activated. Later it is restored under predetermined conditions. |
| Can customer positions be transferred in the event of default? | No. |
| Are emergency rules in place? If so, please specify. | Emergency rules exist in the event of extraordinary situations. A reserve location for the KDD is being established. It is also possible to perform clearing and settlement functions through the Ljubljana Stock Exchange computer system in the case of an emergency. |
| General | |
| Are exchange rules available on the Internet? | Yes. |
| E-mail contact information. | Ljubljana Stock Exchange: < info@ljse.si >. |
| Web site address(es). | Ljubljana Stock Exchange: < www.ljse.si >. |

Turkey

| GENERAL AND ECONOMIC DATA | |
|---|---|
| Macroeconomic Data | |
| 1998 GDP (US\$) | \$199,681,157,170 |
| 1998 GDP Percentage Increase (US\$) | 2.9% |
| 1998 GDP per capita (US\$) | \$3,080 (1997) |
| 1998 Consumer Price Index Increase | 70.0% |
| 1998 Balance of Trade Surplus (Deficit) | (\$14,412,000,000) |
| 1998 Total External Debt | \$100,954,000,000 |
| Total External Debt/GDP | 50.8% |
| Market Data | |
| 1998 Stock market capitalization (US\$) | \$33,975,000,000 (based off of monthly average exchange rate) |
| 1998 Stock market capitalization/GDP | 17.1% |
| 1998 Government Debt Market | \$44,693,000,000 (total outstanding government debt securities) |
| Yield to Maturity (%) of 1/5/10 year Government Debt Instruments as of 6/30/98 | 1 year (T-bond): 90% |
| Annualized Volatility (%) for 1/5/10 year Government Debt Instruments as of 6/30/98 | N/a |
| Annualized Volatility (%) for a Broad Index of Equities | 28% |
| General Data | |
| Currency | Lira. |
| Is currency pegged to US dollar? If so, what is the currency floor? The cap? | No. |
| Actual Range of Exchange Rate from 6/30/97 to 6/30/98? | 148,470 – 266,410 |
| Sovereign Debt Rating | B1/B |
| 1997 Population | 63,000,000 |
| Major Sectors (Agriculture, Mining, Industry) | Manufacturing, Trade, Agriculture and Livestock Production, Transportation. |

| REGULATORY DATA | |
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| Regulatory Framework | |
| Principal derivatives law. | <p>There is no specific “derivatives law,” but the Capital Market Law is the main law having specific articles for futures on financial indicators, capital market instruments (securities, <i>etc.</i>), commodities, and precious metals.</p> <p>Act 5590 has articles for commodity futures. The Code of the Central Bank of Turkey has articles for currency forwards.</p> <p>A new Draft Code is under discussion in the Turkish Parliament, empowering the Capital Market Board as the sole regulator for all types of derivatives. Under the current legislation, regulation of commodity derivatives trading is left to the Ministry of Industry and Commerce. With the amendments in the Capital Market Law by the Draft Code, commodity derivatives will be regulated and supervised by the Capital Market Board.</p> |
| Principal securities law. | Capital Market Law (N: 2499). |
| Futures regulatory authority. | Capital Market Board (CMB). Ministry of Industry and Commerce. |
| Securities regulatory authority. | CMB. |
| Do self-regulatory organizations (SROs) supplement governmental regulation? How? | Yes. There are specific communiqués for each of the exchanges, giving some part of their authority to the exchange for governance itself. |
| Regulation of Exchanges | |
| Must exchanges/contracts be authorized by the authorities prior to the start of trading? | Yes. |
| What trade and other information reporting/dissemination and recordkeeping requirements apply to exchanges? | The records and accounts of both securities and precious metal exchanges are supervised and audited by the CMB. |
| Do price limits and circuit breakers exist? If so, at what levels are they set? | For the Istanbul Stock Exchange (ISE), stock trading price limits are set at 10% for each trading session. The Board of Directors and the Chairman of the ISE are empowered to |

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| | halt trading in case of abnormal price movements. |
| Are there special requirements for electronic trading systems? If so, please specify. | ISE: the trading system for both stocks and bonds is fully-computerized. Istanbul Gold Exchange (IGE): gold trading is fully-computerized. |
| Are exchanges audited by regulators? By others (specify)? | Yes. |
| Regulation of Financial Service Providers | |
| Are there licensing/authorization requirements for brokers? For others (specify)? | Yes. Licensing requirements exist for all types of intermediary activities and for institutional investors. |
| What reporting/recordkeeping requirements apply to market participants (traders/brokers)? | The reporting and recordkeeping requirements for all types of intermediation are defined in detail in the CMB communiqués. In addition, there is a list of draft communiqués on the recordkeeping/reporting/back office of derivatives trading. The communiqués are in line with international standards and practices. |
| Are there sales practice/conduct of business standards for brokers? Others (specify)? | Other than the ones in the CMB regulations, conduct of business standards are to be developed in the near future by the planned establishment of the Association of the Capital Market Intermediaries. |
| Are there minimum capital requirements for brokers? For others (specify)? | The CMB communiqué on capital adequacy sets minimum capital requirements for all types of capital market activities. |
| Are brokers audited by regulators? By others (specify)? | Yes. |
| Are there segregation requirements for customer funds? If so, please describe. | Yes. All operations including the transactions, funds, and securities flows in customer accounts should be kept/followed in separate accounts under the name of the subject-customer. |
| Are there other customer compensation or “insurance” arrangements? If so, please describe. | The new Draft Code regulates the Investor Compensation Fund. The Fund compensates brokerage houses’ obligations arising from stock operations against their customers. |
| Are there custody requirements for customer funds? If so, please describe. | Yes. The central custody is Takasbank for securities markets. |

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| Are there dispute resolution procedures? If so, please describe. | Yes. The regulations for exchanges include specific articles on dispute resolution. Among these are the form of “dispute resolution committees” at the exchanges, and the procedures to apply to the relevant authorities in case of disputes in exchange trading. |
| Access to Foreign Markets | |
| Must foreign markets be approved for use by domestic investors? If so, by whom? | No (according to the foreign investment legislation, residents can access foreign markets only through registered intermediaries). |
| Foreign Access to Markets | |
| Are there limits on foreign investments in derivatives? If so, please describe. | No. |
| Are there restrictions on repatriation of funds? If so, please describe. | No. |
| Is there a double taxation treaty? | No. |
| Are there special dispute resolution procedures for foreign market users? If so, please describe. | No. |
| Taxation | |
| How are gains on derivatives products taxed? | Currently, there is no specific reference to derivatives in tax regulations. |
| Insolvency | |
| What insolvency provisions apply to futures markets? | The Execution and Bankruptcy Law applies to futures markets. There are special provisions of the Draft Code amending the Capital Market Law, which will be applicable to insolvency in the futures market as well. |
| Enforcement | |
| What authority is responsible for punishing violations of exchange rules, the law, or regulations governing derivatives? Fraud? | CMB. |
| General | |
| Memberships in international organizations (e.g., IOSCO)? Please specify. | IOSCO. |
| E-mail contact information. | CMB: < staskiran@spk.gov.tr >. |
| Web site address(es). | CMB: < www.spk.gov.tr >. |

| EXCHANGE DATA | |
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| Exchanges/Contracts Traded | |
| List derivatives exchanges. | <p>The Istanbul Gold Exchange (IGE) launched its gold futures market in August 1997.</p> <p>The studies for the establishment of stock index futures at the Istanbul Stock Exchange (ISE) are almost finalized, but a date for commencement has not been decided.</p> <p>The launch of commodity (cotton) derivatives trading in Izmir is also on the agenda.</p> |
| Who owns the exchange (members, government, other)? | <p>ISE and IGE are semi-governmental bodies, with the general assemblies made up of their members.</p> <p>The legal status of the Izmir Futures Exchange will be in the form of a corporation according to the new Draft Code of the Capital Market Law.</p> |
| For each exchange, list contract types traded. | <p>IGE: gold bullion futures on different delivery months.</p> <p>ISE: planned introduction of futures contracts on ISE-30 stock index.</p> <p>Izmir Futures Exchange (IFE): planned introduction of futures on cotton.</p> |
| Do you have a stock index? If so, please specify. | Yes. ISE-All Share, ISE-100, ISE-30, ISE-Industrial, ISE-Financial and other sectoral indices. |
| Do stock index futures exist? If so, please specify. | Not at present, but planned. |
| What was the average daily volume in futures contract trading at year-end 1997? | IGE: 4.54 contracts. |
| What was the annual futures contract trading volume for 1997 (number of contracts/contracts' value)? | IGE: number of contracts: 445 Total trading volume: US\$ 13,511,486.15 |
| What was the level of open interest in futures contracts at year-end 1997? | IGE: 0 by the end of 1997. |
| Please describe how you compute contract volume. | Σ (number of contracts transacted * price). |

| Trading Features | |
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| Is trading conducted electronically or by open outcry? | Screen-based trading is currently used for IGE gold futures, and planned for ISE stock futures with a fully integrated clearing system. Open outcry trading is planned for the initial stage of the cotton derivatives market on the IFE. |
| Are prices disseminated in real-time? If so, how? | Real-time through data monitors and vendors such as Reuters, Telerate, <i>etc.</i> |
| How frequently do you match trades? | Automatic matching during the sessions for the exchanges with screen-based trading (<i>i.e.</i> , ISE and IGE). IFE: transaction day. |
| Is dual trading permitted? | Yes. |
| What surveillance programs are used? | IGE: A computer-based surveillance system is being developed. ISE: The Surveillance Department is connected to the screen-based trading system. On-line surveillance possibilities are available in the system. Off-line surveillance tools such as past-reporting are also available in the system. IFE: On-line surveillance of exchange members and real-time surveillance of trading will be available. |
| Risk Management/Clearing | |
| Do exchanges have clearing houses? | Yes. |
| Who owns the clearing house? Is the clearing house affiliated or separate? | Members and the exchange itself. IGE: The clearing house is a department within the exchange. ISE: Separate entity, namely Takasbank, Inc. for the securities trading. IFE: The clearing house is planned as a department within the exchange. |
| What is the settlement time frame (<i>e.g.</i> , T+ ₋)? | IGE: same day. ISE & IFE: Same day (T+0) planned for both. |
| Is margin required? | Yes. |
| Who sets the margin levels? | The exchanges themselves, subject to CMB approval. |
| Is margin calculated on a gross or net basis? | IGE: Gross basis. ISE: Gross basis (planned). Portfolio based margining will be applied, and a spread multiplier will also be included to cover the |

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| | extra risk of spreads. IFE: Gross basis (planned). |
| How frequently are positions marked to market? How often are gains/losses settled? | Daily/Daily. |
| What kind of financial backing exists for brokers/clearing members/clearing houses in case of failure? | In case of failures, the exchanges can demand excess margins from members. Establishment of a guaranty fund is planned for the ISE. There will be a guaranty fund for the IFE. |
| How does the clearing house allocate losses in the event of a clearing member default? | In case of default, the clearing house applies the contributions of the defaulting member of the fund. |
| Can customer positions be transferred in the event of default? | Yes. |
| Are emergency rules in place? If so, please specify. | Yes. These rules are mainly to demand extra margin from clearing members, to increase the margins, and to restrict position limits. |
| General | |
| Are exchange rules available on the Internet? | Yes. Main rules regarding the operation and trading system of the exchanges are available on the web sites. |
| E-mail contact information. | IGE: < iabtr@superonline.com >. ISE: < info@ise.org >. IFE: < itb02@home.egenet.com.tr > (through the Izmir Mercantile Exchange). |
| Web site address(es). | IGE: < www.iabgold.com >. ISE: < www.ise.org >. IFE: planned. |

